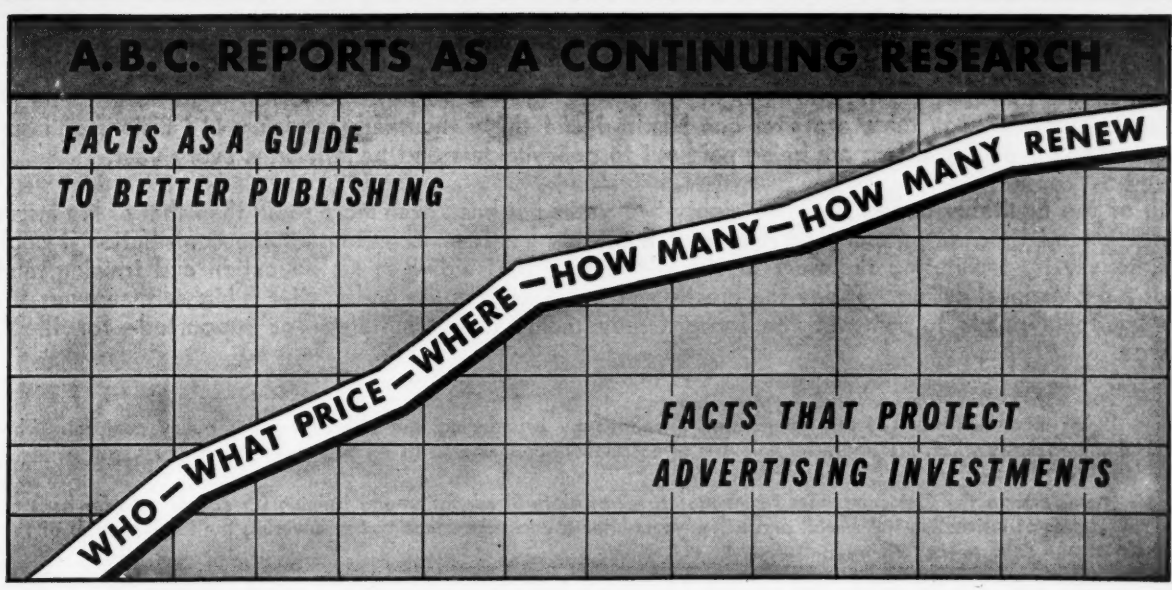


# The NATIONAL UNDERWRITER

*Life Insurance Edition*

Library  
Univ. of Michigan  
Ann Arbor  
82#



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FRIDAY, OCTOBER 10, 1941

# ADVANCING AMERICAN LIFE INSURANCE by ADVANCING THE LIFE UNDERWRITER

The American agency system is responsible for the tremendous growth of life insurance in America.

When The Equitable was organized in 1859—eighty-two years ago—there were but a few hundred life insurance representatives in the entire country. Today there are over one hundred and thirty thousand, servicing 117 Billions of insurance in force, and due to whose efforts over 2½ Billions are being paid out to policyholders and beneficiaries every year.

The growth of the Equitable during the past eighty-two years has been even more rapid than that of life insurance generally. But in seeking to extend its own company services, the Equitable has been conscious of the contribution it could make to life insurance institutionally by facilitating the work of the life underwriter, aiding in his education and training, and elevating his status to that of a professional calling. Today the prestige of the American life underwriter is higher than ever; and with pardonable pride the Equitable points to some of the forward movements it has initiated—or supported—for the benefit of the fraternity at large.

It has made the work of the agent more attractive by broadening and liberalizing the policy contract. The present popularity which life insurance enjoys is in no small degree due to its vision and enterprise.

It was among the first companies to inaugurate a program of education and training for agents. As far back as 1902 classes of instruction were held, and a few years later a correspondence course covering the fundamentals of the business and sales procedure was introduced.

It has issued books on life insurance salesmanship and made them available to the agents of all companies.

Collaborating with other companies, it was one of the sponsors of the Life Insurance Sales Research Bureau.

It aided in the formation of the American College of Life Underwriters.

More recently it has given whole-hearted support to the S. S. Huebner Foundation for Insurance Education.

When the Institute of Life Insurance was proposed as a means of interpreting life insurance more effectively to the general public, The Equitable was one of the earliest advocates.

This year it inaugurated for the benefit of its agents an improved system of compensation with retirement benefits—a plan that has been characterized as a model of its kind.

And in support of one of the greatest instrumentalities for the advancement of the agent—The National Association of Life Underwriters and the many Local Associations — The Equitable has encouraged managers and agents to maintain membership and give unsparingly of their time and talents.

Today, American life insurance is recognized as a great financial bulwark in the national economy. The groundwork laid by The Equitable and other companies during past decades in behalf of the life underwriter is proving of immeasurable value in the present crisis. American life underwriters can and will respond to the opportunities—and responsibilities—for which the past years of training and education have equipped them.



## THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE UNITED STATES

*A Mutual Company organized under the laws of the State of New York*

New York, N. Y.

Thomas I. Parkinson, President



# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 41

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 10, 1941

\$3.00 Year, 15 Cents a Copy

## Company Chieftains in Big Parley

### Mortgage Study Is Recommended by Financial Men

Project Urged on A.L.C. Executive Committee—  
Torrance Heads Section

A mortgage mortality study to be participated in by companies of the American Life Convention—urged in a talk by William B. F. Hall, second vice-president of Lincoln National Life in charge of mortgage loans—was recommended by the Financial Section to the A. L. C. executive committee at the section's annual meeting in Chicago this week.

There was much enthusiasm on this proposal, it being felt that a joint attack on the problem of buying good mortgages would be far superior to the present situation, in which every company is on its own and benefits little from the experience of others.

#### New Officers Elected

Grant Torrance, treasurer of Business Men's Assurance, section vice-chairman for the last year, was advanced to chairman, succeeding Charles F. Nettleship, Jr., secretary of Colonial Life; Ehney A. Camp, Jr., treasurer Liberty National Life, was elected vice-chairman, and Paul E. Fisher, treasurer Indianapolis Life, was named secretary. The Financial Section is the only one which has a vice-chairman.

No meeting of the Financial Section ever was held where there was evidenced any greater concentration on the difficult problem of deriving a net yield from investments sufficient for the policy interest assumption. The investment men realize they face a dark future, in which huge government financing may be expected to hold down interest rates to a low level; in which the run off of investments made in better times and greater dilution of the portfolio with low interest investments will result in lower average net yield, and the piling up of taxes and increased costs of operation due to inflation may demand even more from investment departments.

Railroads, electric utilities, the future of farms and cities came under discussion by speakers. There was also the all-important question of asset valuation, and the much argued problem of private placement of securities versus competitive bidding.

#### Assuming Great Proportions

Many new faces appeared in the jammed Financial Section meeting, which according to Col. C. B. Robbins, manager and general counsel of A. L. C.,

### Agency Section Studies Problem of Leadership

#### NEW OFFICERS ELECTED

Chairman—J. C. Higdon, Business Men's Assurance.

Secretary—H. G. Kenagy, Mutual Benefit Life.

The Agency Section of the American Life Convention held its annual meeting at the Edgewater Beach Hotel, Chicago, Wednesday morning with Agency Vice-president F. F. Weidenborner, Guardian Life, in charge as chairman. He stressed the value of the theme of the gathering, "The Factual Approach to Leadership," as the solution of many problems in agency work. He defined leadership as "leadership consists in providing what is needed by those who are led." Mr. Weidenborner reviewed the progress that has been made by the home offices to furnish through the agency departments the kind of leadership that endeavors to provide the proper inspiration and procedure. Considerable progress, he said, has been made in the life insurance business in the agency field because of the effort that was made by the industry to improve the technique as regards its methods.

#### C. H. Heyl's Address

Agency Director C. H. Heyl of the Bankers Life of Nebraska gave a talk on recruiting, making the point that the word "recruit" is more or less of a misnomer as it applies largely to military life in the public mind. Military processes are all standardized. He said that standardization of selling and the engaging and development of life insurance salesmen is a doubtful possibility at best. He thinks that today companies are not seeking to find individuals to fill the jobs. He said that a life insurance career constitutes one of the few remaining opportunities of the independent contractor.

Mr. Heyl declared that there is a totally different problem involved in the engaging of a man to represent a life company in a community which boasts of many existing policyholders and a similar effort in a territory where the company is not well known.

#### H. G. Kenagy on Training

H. G. Kenagy, superintendent of agencies of Mutual Benefit Life, spoke on the subject "Training." While contending that the life insurance industry can accomplish more toward the objective of high grade agents who can make a good living and build public recognition for their services through improved training than by any or all other measures, yet he admitted that the one basic criticism of the best training plans today is that they take a narrow view of the objective which must be reached. As he put it, "They direct thought and

effort primarily to the sales process and to the sales interview rather than to the whole job of the agent. They underrate the importance of prospecting and organization of effort though we all know that the two big reasons for failure in our business are poor work habits and poor prospecting. We have trained men for the sale, not for all-round efficiency."

He said that the business of making good teachers and trainers out of general agents is the really difficult part of the job of getting fully effective training done. In this connection he recommended that future general agents should be men possessed of the ability to train new agents.

#### L. S. Morrison a Speaker

L. S. Morrison, director of research of Sales Research Bureau, had as his subject "Supervision and Motivation." He spoke of three basic principles or characteristics which seem to determine success or failure. The first is supervision and motivation must be honest and sincere. Next, it must direct and encourage men to do what is beneficial to the company. Third, it must do what is beneficial to the men themselves. Mr. Morrison said that if leadership is to be good "we must be very sure that we know our own mind and that we need to make a real effort to study the agency structure; to clarify and restate our objective and to examine our methods so as to make sure that no future historian can say of the men in life insurance industry, 'they were able men with a grand idea; what a pity it was that they lost out because they could not keep pace with the changing world.'"

#### Hubbell on Agency Management

Agency departments must adjust themselves to the many fundamental changes in American life which are coming with all-out defense and the building of a war economy, F. W. Hubbell, president of Equitable Life of Iowa, declared in an address on agency management. He predicted a definite swing away from policies and contracts which predominate in investment features and toward those providing protection. The need for life insurance will not be lessened, but with increasing prices will be greater in order to provide a planned program.

There will be no priority problem, no difficulty in getting raw materials, and national income in 1942, he stated, would exceed 100 billions. Thus while taxes will have an effect, disturbing the normal market for life insurance and especially affecting the great middle class, there will be many persons who will be able to buy life insurance, will need it and will want it.

### McAndless Named Head of American Life Convention

Large Attendance for Section Meetings and General Session at Chicago

A. J. McAndless, president Lincoln National Life, was elected president of the American Life Convention at its annual meeting in the Edgewater Beach hotel, Chicago, this week. He succeeds Julian Price, president Jefferson Standard Life. Mr. McAndless was the senior executive committee member who had not been president. Mr. Price was elected on the committee for a two-year term according to custom. W. T. Grant, president Business Men's Assurance, who served as president two years ago, retired from the committee. W. C. Schuppel, executive vice-president Oregon Mutual Life, and L. D. Cavanaugh, president Federal Life, were both re-elected on the committee and both are presidential timber for the future.

President Price was detained at home owing to the illness of his wife and did not arrive at the hotel until early Monday afternoon. Usually the executive committee holds a meeting on Sunday. It went into session shortly after his arrival.

#### Registration Larger Than Usual

There was a large registration this year, more than usual, many companies having two or more executives on hand. The Financial Section has loomed up as a very important one, taking up as it does investment problems of different kinds. A number of life men arrived on Sunday and by Monday noon the hotel showed evidence of a big meeting on hand.

The Legal Section started its activities Monday morning, holding further sessions Monday afternoon and Tuesday morning. Its luncheon was held Monday noon with Ferre C. Watkins, general counsel bureau of liquidation, Illinois insurance department, as the speaker.

The Financial Section held its first session Monday afternoon with C. F. Nettleship, Jr., secretary Colonial Life of New Jersey, as chairman. It also had a luncheon with J. H. Clarke, assistant vice-president American National Bank & Trust Company of Chicago, as speaker. Its second session was held Tuesday morning, followed by a luncheon with E. F. Connely, president Investment Bankers Association, New York City, as the speaker. Its

(CONTINUED ON PAGE 20)

## E. H. Henning Is Named President of Ill. Bankers Life

**Succeeds Martin, Who Becomes Chairman of Finance Committee**

Eldridge H. Henning has now been elected president of Illinois Bankers Life of Monmouth, Ill., taking the place of Hugh T. Martin, who becomes chairman of the finance committee. Mr. Henning has been at the



E. H. HENNING

head office of Illinois Bankers six years in the capacity of vice-president and also during the past two years as general counsel. He has become an increasingly important factor in the organization and through attendance at various insurance gatherings, he has become increasingly prominent throughout the business.

Mr. Martin had been president for the past two years and had been general counsel and a director since 1929. He had been active in its affairs since it was reorganized from the old Illinois Bankers Life Association.

### New Directorate Elected

Except that Mr. Henning continues on the board, an entirely new directorate has been elected. The new directors are Frank C. Rathje, president of the Chicago City Bank & Trust Co., and Mutual National Bank of Chicago and member of the law firm of Rathje, Hinckley, Barnard, Kulp & Tucker; David F. Matchett of Chicago, who is a justice of the Illinois appellate court, first district of Illinois; Earl N. Batchelor of Peoria, president Jefferson Trust & Savings Bank; Dewey F. Fagerburg, member of the Chicago law firm of Nicholson, Snyder, Chadwell & Fagerburg.

Illinois Bankers Life is enjoying the best year in its history. The insurance in force amounts to \$109,000,000 and the assets exceed \$26,000,000. Capital is \$200,000, contingency reserve \$113,330 and net surplus \$831,064. New business this year so far has exceeded \$20,000,000 or an increase of 70 percent over the same period of 1940.

### Institute Meets Dec. 10

NEW YORK—The annual meeting of the Institute of Life Insurance will be held Dec. 10 at the Waldorf-Astoria Hotel, New York City.

## A.L.C. Legal Section Takes Up Practical Topics at Session

### NEW OFFICERS ELECTED

Chairman—Joseph O'Meara, Jr., Cincinnati, Western & Southern Life.  
Secretary—J. P. Lorentzen, Des Moines, Bankers Life of Iowa.

Joseph O'Meara, Jr., well-known Cincinnati lawyer and counsel of the Western & Southern Life, who has been secretary of the Legal Section of the American Life Convention the past year, was elevated to the chairmanship at its annual meeting at the Edgewater Beach hotel, Chicago, succeeding E. A. Roberts, vice-president and general counsel Minnesota Mutual Life.

The Legal Section this year adopted the custom of having two set speakers at each session, thus reducing the long and laborious meetings of the past. There are two established customs of the section which are very greatly appreciated by the members. One is the review of recent decisions by M. E. Benson, assistant counsel of the American Life Convention, and the other a review of legislation and departmental action by R. H. Kastner, associate counsel of the organization. These two men assemble data of a highly informative nature.

The Legal Section program to some extent dealt with current economic and insurance situations.

### Legal Section One of Oldest

The Legal Section is the oldest one of the sections of the A. L. C. It started in a modest way and has now grown to large proportions. This year the chairman was E. A. Roberts, vice-president and general counsel of Minnesota Mutual Life, who was very sprightly in his introductions and comments from time to time. The secretary, Joseph O'Meara, Jr., counsel of Western & Southern Life, was elevated to the chairmanship of the section. He is a member of the Cincinnati law firm of Merland, O'Meara, Santen & Willging. He is also associated with the Columbus, O., law firm of Dargush, Caren, Greek & King. Mr. O'Meara is a graduate of the University of Cincinnati law school and practiced a number of years before he became associate counsel of Western & Southern.

Chairman Roberts appointed as the memorial committee R. F. Baird, Lincoln National Life, chairman; M. W. Mangus, State Life, and B. P. Sears, Washington National. The nominating committee consisted of F. J. Wright, Midland Mutual, chairman; R. A. Adams, American United Life; J. H. Cabaniss, Liberty National Life, and Sam B. Seabee of Kansas City, Mo. All are former chairmen of the section.

### Robbins Extends Greeting

President Julian Price of the A. L. C. was unable to be present to extend greetings at the first session Monday morning. However, Col. C. B. Robbins, manager and general counsel, was present to do the needful. Chairman Roberts aroused considerable amusement in introducing Colonel Robbins, calling attention to his many activities, among others stating that he was very much interested in numismatics, which means one interested in coins. Some of the others concluded that Colonel Robbins was delving into this science for counterfeiting purposes.

Chairman Roberts said that today there is a challenge being issued to the legal end of insurance. He said the lawyers are willing to meet the new problems that are arising and they will contribute to the successful solution of the many problems that are engrossing the business. In introducing M. E. Benson, assistant counsel of the American Life Convention, who gave a review of recent decisions, he said Mr. Benson is an excellent lawyer and a profound

## Palmie and Baynes Are Named to Head Industrial Section

A. G. Palmie, assistant secretary Home State Life, was advanced to chairman of the Industrial Section at its annual meeting. Bascom Baynes, president Home Security Life, was named secretary succeeding Mr. Palmie. B. L. DeWitt, secretary and assistant treasurer Peninsular Life, section chairman, was unable to be present because of expectant father difficulties. Last year at the time of his election, Mr. DeWitt was also absent, on account of illness. He had arranged a strong program for this year's gathering, however, and Mr. Palmie read his report on the section's marked progress.

Julian Price, president American Life Convention, extended greetings, stressing the importance of the Industrial Section. Col. C. B. Robbins, manager American Life Convention, emphasized the growth of the section and its marked progress.

### Consider Monthly, Weekly Ordinary

Possibilities of developing ordinary business through monthly debit and weekly premium plans were developed by G. C. Clark, assistant actuary Equitable Life, D. C., and C. A. Taylor, actuary Life of Virginia. Mr. Clark distributed copies of the results secured on the questionnaire he had sent out on monthly debit ordinary experience and presented a thorough analysis of the various factors involved in writing this coverage. Mr. Taylor discussed his company's favorable experience with weekly premium ordinary. Both these papers were thoroughly discussed at the closed session in the afternoon.

When W. H. Trentman, vice-president Occidental Life, N. C., attended the Industrial Insurers Convention, he discussed the numerous points that the ordinary companies can learn by observing industrial company methods of doing business with Mr. Baynes, the new section secretary. Mr. Baynes was so impressed with Mr. Trentman's ideas that he secured him to speak before the Industrial Section. Mr. Trentman developed the subject in an entertaining style.

A strong message was delivered by E. B. Stevenson, executive vice-president National Life & Accident, in which he reviewed the milestones in the progress of industrial insurance. Despite the marked gains in recent years, Mr. Stevenson urged industrial companies not to rest on their laurels but to continue with renewed emphasis the extension of broader and better service to the public.

T. J. Mohan, president Eureka-Maryland Assurance; F. M. Nettleship, secretary of agencies Equitable Life, D. C., and Curtis P. Kendall, vice-president Washington National, all past chairmen, served on the nominating committee. Mr. Nettleship also acted as secretary pro-tem while Mr. Palmie was presiding.

Mr. Baynes was not present at the meeting.

student. His work lessens the number of library hours that attorneys would otherwise have to spend in study of their cases.

He had some fun with Walter Schmidt, general counsel Ohio National Life who read a paper on "The Incontestable Statute or Clause in Relation to the Age Adjustment Clause." He said Mr. Schmidt was somewhat downcast because the Cincinnati Reds were not pennant winners this year. However, he said he had been buoyed in spirit by the Ohio State football team defeat of the University of Southern California last Saturday.

Ferre C. Watkins, counsel for the liquidation division of the Illinois insurance department, was the luncheon speaker.

At the afternoon session Monday H. H. Leavy, office attorney California-

## Suburbs' Growth Found Menace to City Mortgages

**J. A. McLain, Head of Guardian Life of N. Y., Addresses Mortgage Men**

NEW YORK—By taking warning from the experience of New York, Chicago and Philadelphia, smaller cities have a chance of forestalling the serious deterioration of urban property values that result from the tremendous growth of the suburbs and their drain on city population. President James A. McLain of Guardian Life of New York declared at the Mortgage Bankers Association's clinic on conventional (non-FHA) loans. It is a question, he said, whether the suburbs' advantages and the easy terms on which small houses can be bought are the entire explanation of the exodus from the large urban centers. These factors have merely activated the diseases of the city apartments which have been dormant right along, he said.

More freedom for children has been the biggest contributing factor in stimulating the movement from cities, Mr. McLain said. In the past, city apartments were too often built to meet merely the demand for housing as such or to make profitable, if possible, highly taxed land. Expansion of good roads, express highways, rapid transportation and the availability of mortgage financing on easy terms have helped to free the family of moderate income from the necessity of living in congested areas. These families no longer have to continue to support the high and increasing cost of city government. They now have a choice.

### Not Planned for Future

Mr. McLain said it is almost tragic that so few of our cities were planned for the future. The result is that the ending of the era of rapidly expanding population finds most cities inadequate in their maturity to meet the growing pressure for a better standard of living for the average family. While it may be found in the future that the advantages of the outlying metropolitan sections are an illusion, the fact remains that for the near future such advantages as light, air and low taxes will continue to draw people away from the cities and values of city apartments will be impaired until they are better planned and undesirable factors are overcome.

Emphasizing the seriousness of the situation in New York City, Mr. McLain

(CONTINUED ON LAST PAGE)

Western States Life, gave a paper on "The Community Property Law of California as It Affects Life Insurance Policies." Chairman Roberts referred to Mr. Leavy as residing in the glorified desert. He said, however, in formulating the program proper consideration had been given both to geographical and intellectual demands. He said furthermore that in California everything was settled on a 50-50 basis.

F. H. Nash, vice-president and general counsel Columbian National Life of Boston attended his first meeting of the Legal Section. He spoke on "Distrained Actions Under the Federal Income Tax Law." He acknowledged that he had no decisions to discuss because there had been no final ones delivered. He stated that the chairman had imposed this subject upon him. He gave a scholarly talk and impressed those present as being the professorial type.



## Blackall Scans Impact of War on Insurance

### Connecticut Commissioner Makes Penetrating Observations in Chicago Talk

Commissioner J. C. Blackall of Connecticut was the featured speaker at the luncheon meeting of the insurance division of the Illinois Chamber of Commerce in Chicago. His subject was the "Impact of the War on American Insurance." He said that the present is a different kind of a war than ever before and because it reaches in a more compelling way than any one in the past, all nations are more susceptible to and more sensitive to its maladjustments. Insurance, he declared, being a substantial part of everyday life cannot hope to be free from its effect.

He said that there are no American branches of European or Asiatic life companies doing business in the United States but there are a number of Canadian companies operating here.

#### War Rider Clauses

Mr. Blackall said it has not been the theory of American life insurance that it should absorb war hazards. In the last war the civilian population was relatively free from personal hazards. The man in the fighting line could be reasonably sure that his government would make proper allowance for his dependents. Most companies with the use of temporary or permanent war rider clauses were able to save themselves from any undue war risks.

Today, however, the advancement or degradation, if one desires to call it, of aviation, has put every child in arms, every boy and girl in a garden, every housewife in a home, every patient in a hospital, every old man with a cane in the evening of his life, as much on the firing line from explosives as the man with a gun in his hand. This has produced an uncertainty in the life field but just what, if any, action may be taken in regard to its war risk, supervisory officials, he said, are not agreed. The greatest effect, he added, of the present war on American insurance is to create in the insurance business a very profound uncertainty.

#### Government Enterprises

He referred to some of the government enterprises. He said that a number of people did not like the old age pension law because they thought it would adversely affect insurance. Now, he said, no one hears anything about it. Some did not like the social security act because they thought it might be an encroachment on insurance, and now, he said, "We do not talk about that any more." Some people feel that the threat of taxation might be discouraging to sound management but he said, "I have never seen a time when the institution of insurance was not ready and willing to bear its fair share of the cost of the good things that we enjoy. I can see no public policy abroad in the land today that asks for anything but a fair and equitable distribution of this burden."

Speaking further, Commissioner Blackall said: "One of the developments of the Washington picture that I have rejoiced at more than anything in recent months is the movement away from the preconceived idea that our defense program should be taken care of by borrowing while our ordinary budget was taken care of by taxation. This latter

(CONTINUED ON PAGE 21)

## Director Jones of Illinois Honored by Danville Dinner

Tribute was paid Paul F. Jones, Illinois insurance director, at a dinner given in his honor at Danville, Ill., his home town. The affair was sponsored jointly by the Danville Life Underwriters Association and the Danville Bar Association and was attended by many prominent local insurance men, government officials, lawyers and acquaintances of Director Jones. Toastmaster at the affair was Harold Hensold, president of the life underwriters.

In a brief talk, Director Jones outlined the scope of the task facing the insurance department of a populous state. In Illinois today, he said, there are 1,200 companies doing about \$500,000,000 worth of business annually. Approximately one-half of the citizens are policyholders and the rest are directly interested. This makes insurance an industry invested with a great deal of public interest. At present, Mr. Jones declared, there is deposited with the securities branch of the department \$45,000,000 in securities on which deposits, withdrawals and collection of interest amount to \$3,000,000 per month. During the last fiscal year the department collected \$9,000,000 and its operating expense was about 7 percent of its income.

#### Handle 1,000 Letters Daily

At times the department handles in the neighborhood of 1,000 letters a day, Director Jones said, and the license division has supervision over 40,000 individuals or firms to whom 95,000 licenses were issued in the last fiscal year. He pointed out that every new policy form, endorsement and rider must first be submitted to the department for approval and that approximately 8,500 forms are reviewed each year making

## Kenagy, Holcombe, Stevenson Are on Toronto Card

The speakers and agenda for the first day program of the Sales Research Bureau and Agency Officers Association joint annual meeting at Toronto Nov. 3-5, has been announced. The first official business session will be Monday afternoon, Nov. 3.

During the morning there will be various committee meetings and the registration desks will open at 10 a. m. At 12:30 there will be a buffet luncheon which all agency officers and their wives are invited to attend. They will be the guests of the Canadian member companies of the organizations.

The meeting will open officially at 2 p. m. with W. S. Penny, director of agencies of Sun Life, in the chair. The address of welcome will be delivered by C. D. Devlin, assistant general manager of Confederation Life, who is serving as head of the special committee of Canadian officers on arrangements. Mr. Penny, speaking as chairman of the research bureau directors, will then report on the bureau's activities, using the theme "The Bureau in Action."

Following the report by S. T. Whately, vice-president of Aetna Life, chairman of the bureau nominating commit-

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the total number on file at the present time 112,000.

Federal Judge Walter C. Lindley, under whom Mr. Jones served as U. S. attorney was speaker of the evening and paid tribute to the guest of honor. He pointed out that selection of a man trained in law as insurance director was a wise selection, because the fields of insurance and law are closely interwoven.

## MOTIVATION

Motivation is not something tossed into a sale—it is an integral part of the sale. In fact, there is no sale without it. If the underwriter supplies the motivation, there can be a sale. If he does not provide the motivation, then the sale waits until either the prospect himself provides motivation or the sale expires, a failure.

Two Georgia underwriters went over to Camp Wheeler and contributed their efforts toward helping the soldiers protect their families with government war risk insurance. As a result of a three-hour session, 237 soldiers in one battalion bought \$1,005,500.

Think of over a million dollars in life insurance sales to 237 men in one afternoon! It proves that when people hear and absorb the message of life insurance, and feel its truth, they will buy. The two underwriters (as have many other patriotic underwriters) provided a sales talk, but the defense emergency provided the undeniable motivation. And there was favorable action.

Are you stocked up on motivating ideas and motivating opportunities, or do you imagine that a sales talk can manage to get along without motivation?

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### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Social Security Proposals Open Way to Needed Changes

### Danger Is That They Will Be Made Without Enough Thought

President Roosevelt's approval of the social security board's proposal for an all-inclusive national social insurance system which would federalize the present state system of unemployment insurance benefits has at least the merit of bringing out for discussion some vital questions about the entire social security setup that have been troubling many of the experts in this field.

One of the major faults of the unemployment insurance system, as contrasted with old age and survivor benefits, is that it retains the feature of strict equity which is essential to private insurance but which makes social insurance unduly costly and at the same time prevents it from fulfilling its mission as well as it should. Where the old age and survivor system recognizes that an aged man and his wife need more to live on than a single person and that a widow with small children should have a larger income than a childless widow capable of supporting herself, the unemployment system relates benefit payments to contributions without regard to the employee's family situation.

#### Merit Rating a Factor

In states with merit rating systems for unemployment insurance the employers with good labor turnover records are not going to like the prospect of a federal system under which, as it is outlined, would be no merit rating. However, under the proposed federal plan the employees would contribute something toward unemployment benefits, as they do not now. This would ease the burden on the employers.

Many realistic observers of the social insurance setup have held that federalization of the unemployment insurance plans is only a matter of time. As soon as a bad depression hit a state and bankrupted its unemployment compensation fund there would quickly be a demand for putting the state systems under the federal wing. One argument that is being made for federalization is that it would spread the risk and that unemployment compensation funds would not be wiped out by regional depressions.

#### Real Test Ahead

It is generally agreed that the real test of unemployment insurance plans will come when the defense program ends and the readjustment to peacetime production is made. Some state compensation funds are in good shape to meet this situation, others are not. Also there is a wide difference in the efficiency with which different state funds are managed.

The significance of President Roosevelt's approval of these proposed changes is not so much that these particular proposals are the ones that should be carried into effect but that it is a recognition of a need for fundamental changes in the unemployment insurance setup. The danger is that with the defense boom getting the main spotlight, the social security changes will be made in an offhand manner and without thorough consideration of all angles.

#### To Hear Jail Warden

Frank G. Sain, warden of Cook county jail, will address the dinner meeting of the Chicago Claim Association Tuesday evening.

## Journey to National Guardian

Madison, Wis., Company Is Typical of the Democratic Spirit in Well Ordered Institutions

By C. M. CARTWRIGHT

*Each life company has a distinct personality. Some may be very colorless. There may not be very many characteristics that make them a thing apart. People are interested in institutions that have an outstanding individuality. Such a company does not merely happen. There is something back of it. There are causes that make it what it is. The National Guardian Life of Madison, Wis., is certainly a company with a personality that is exceptional. Therefore, it is worth while analyzing.*

A visit to Madison, Wis., one of the most beautiful cities in the country, with two large lakes within its corporate limits, with the state capitol sitting on a high point in the city, with the University of Wisconsin campus and buildings making an impressive showing, is worth while if for no other reason than to see and inspect the new home office building of the National Guardian Life located on the shore of Lake Mendota next to the governor's residence with its magnificently planned and well kept lawn. The building reveals the soul of the company itself.

It is durable, substantial, practical and appealing with a quiet, arresting architecture. One could sit on the terrace at the rear of the building and enjoy hours of quiet contemplation as he looks up and down beautiful Lake Mendota. It is a magnificent location.

### Democracy of the Company

Undoubtedly the interior reflects very distinctly the democracy of the company which is a very pronounced characteristic. The president's office, for instance, is no larger than that of the other officials. They are all of the same size. There is nothing palatial, no ornamentation, no effort at display. That arrangement bespeaks the character of President George A. Boissard. He is a thorough-going democrat, he does not presume to be any better than anyone else in the company and he gives everyone clear down to the office boy great credit for accomplishment. Thus a business family well united and harmonious has been established.

Mr. Boissard intuitively goes into reverse if one attempts to bestow any praise on him. He interrupts such a one with a laugh or abruptly changes the subject. Last month I attended the National Guardian agency convention. He said to me, "If you intend to write a story about this, for heaven's sake keep me out, for I have done nothing to promote it. Others have worked hard in planning and if there is any credit due, they should receive it." Then gazing out over Mendota's silver waters he said, "Cartwright, this is not a one man show. We are not strong on soloists but we do pride ourselves on what the orchestra itself does. We all pitch in and try to do our part."

I might stop just here and say that the outstanding attribute of this company has already been mentioned, that is, its thorough democracy. President Boissard, who knows all the agents and office force and calls most of them by their first name, is interested in what they are doing, and what engages their families. What concerns them concerns him. He is the old time patriarch, the father of the flock, the pater familias. He rules benevolently. He belongs to what might be called the old fashioned school and maintains those homespun attributes that have made men in the past worth while.

### Committee Sought a Pilot

It was early in 1910, I feel sure, that a committee came to Chicago from Madison headed by Stanley C. Hanks, then a practicing attorney who had taken

on the work of organizing. The committee wished to talk to me about getting some insurance man to whom they could entrust their institution. It had been promoted professionally. Wilbur Wynant, who left a trail of lurid flame in



GEORGE A. BOISSARD

several parts of the middle west, had been selling stock. S. A. Brandt, who was secretary of the Wisconsin Life and who had compiled county histories, was the man most instrumental in organizing this company. He needed new money and he thought this was the best way to get it. The original name was the Wisconsin State Life. That seemed a natural time to promote a company. The 1907 Wisconsin insurance code forced 35 old line companies to leave the state. In 1910 there were only two states that

showed a lower insurance per capita ratio than Wisconsin, they being New Mexico and Mississippi. The Old Line Life of Milwaukee, the Great Northern Life of Wausau, the Wisconsin National Life of Oshkosh and the Wisconsin Life of Madison were already in the field.

### Investors Felt Concern

Mr. Hanks, who was the spokesman of the committee, stated that the promoters had sold considerable stock but they had taken too much out of it as commissions, and so they had been dropped and he (Hanks) was finishing the stock sales under a moderate salary. Some prominent men of Madison and throughout the state had lent their names to the enterprise and these were concerned for the future. They needed some substantial and conscientious insurance man to take charge of the company. I had known George Boissard at Cincinnati. He was formerly a newspaper man. At one time he had a weekly paper at Kenosha, Wis., and changed it into a daily. He was sporting editor of the Cincinnati "Commercial Gazette," succeeding the great Ban Johnson of American Baseball League fame. Later Mr. Boissard became city editor of the Cincinnati "Times Star." He left the newspaper field in 1901 and organized the ordinary department of the Western & Southern Life of Cincinnati which had its home office in an abandoned club building at Fourth and Broadway. Mr. Boissard was instrumental in getting up the rate book and supplies for the ordinary department.

### Mr. Boissard Recommended

Perhaps we newspaper men have a sort of fellow feeling. I knew that Mr. Boissard was conscientious, old-fashioned perhaps, possessing horse sense, not an actuary, but a man of fine judgment. I told Mr. Hanks and the committee that he would not run away with their money, that they could rely on him and that he would guide the destiny of the company to their satisfaction. He was employed and the first thing he did he had the name changed to the Guardian Life. On Aug. 5, 1910, one day after he arrived in Madison, there was a stockholders' meeting. There were 16 direc-

## Institute's New "Ads" Start Oct. 20

A new advertising campaign designed to build a friendly attitude toward life insurance, following an entirely new pattern, will be started Oct. 20 by the Institute of Life Insurance in 265 daily newspapers in 166 cities. "Ads" will be run every other week for the balance of the year. The space used will be about 50 percent larger than in the last campaign and display type "ads" will replace the column type which was previously used.

The new "ads" are designed to associate life insurance as closely as possible with the main present-day currents of public interest, in an inspirational way, and to emphasize the basic general facts which the entire Institute campaign seeks to bring home to the public—that life insurance is a valuable, desirable thing for the individual and for the community; that the agent performs a necessary function in the sale of insurance, as well as other essential services; and that the companies are well managed in the public interest.

The close relationship of life insurance to national thrift will be displayed.

The Institute has based the new campaign on well accepted maxims which are easy to illustrate. Much of the story will be told by the illustration and the headline alone.

The advertisements will carry large illustrations, distinguished in character, interesting, and suggesting an atmosphere of quality. They will occupy at least half of the space; and the copy has been reduced to a minimum.

The Institute president's name will be omitted from the "ads" but there will be retained a description of the Institute and an invitation to the public to write to it.

tors and 840 stockholders. Here he was with but a shell, an embryo, not more than an idea.

The proposed capital of the new company was \$250,000, but \$108,660 had been placed by Aug. 5, and Mr. Boissard told the organizers that this would be ample, since there was a paid-in surplus of \$84,000; all bills were paid; offices had been furnished. Later the capital was reduced to \$100,000. Mr. Boissard found that a number of men had been promised positions as directors and they wanted pledges redeemed. He led a movement whereby this number was reduced to nine. James A. Frear, secretary of state, was chosen president and Mr. Boissard vice-president and general manager. Clark Putnam, assistant secretary of the Wisconsin Life, succeeded Stanley Hanks as secretary. Again Mr. Boissard compiled premium rates and policy forms, application blanks and agents' contracts, and on Oct. 11, 1910, the first seven or eight policies were issued.

### Worked in the Field

Mr. Boissard found it necessary, of course, to get ready for business. He had to hew the statue from rough marble. Ben S. Beecher, assistant actuary of the Wisconsin state insurance department, was brought into the company as superintendent of agents. He and Mr. Boissard did the field work. Mr. Boissard went out during the week hunting for agents, and Mr. Beecher would follow along giving them instruction and seeking salesmen himself. Mr. Boissard in his field work demonstrated again his democratic nature, hobnobbing as he did with prospective agents and their wives, talking to them in their own vernacular, visiting them in their homes or places of business. He made many friends in his rounds because of his frankness and strong convictions as to the future of insurance.

W. J. Wandrey, now secretary, who was in charge of the Wisconsin State Life Insurance Fund, was called into the Guardian Life and put in charge of correspondence. Mr. Wandrey suc-

(CONTINUED ON PAGE 22)

## AS SEEN FROM LAKE MENDOTA



This is a view of the rear of the home office building of the National Guardian Life, facing Lake Mendota. It shows the terrace work, pier and the approach to the lake. The front of the office building is on Gilman street, which is also artistically landscaped.



## Status of Agents in Unemployment Compensation Tax

E. R. Morrison, National Fidelity Life, Addresses A. L. C. Legal Section

It would be the height of injustice to impose unemployment compensation taxes on life companies as alleged employers of their agents when the only ground for the imposition of such tax, namely, "to stabilize employment" does not exist because of the peculiar nature of the agent's work and activities, E. R. Morrison, of general counsel National Fidelity Life, Kansas City, brought out in his address on "Unemployment Compensation Laws and Status of Insurance Agents" before the Legal Section, American Life Convention.

"In the second place," he continued, "life agents compensated on a commission basis are not subject to the hazard of involuntary unemployment. In the third place, the beneficiaries as employees are supposed to earn the right to unemployment benefits by rendering service to their employers in the relationship of employees. Life insurance agents perform no such controlling service and, finally, any lack of work or compensation which might exist in the case of a life insurance agent would be due to a general depression, or to his own lack of ability, illness or incapacitation, none of which are insurable."

### Historical Review Made

Mr. Morrison gave a very interesting historical review of unemployment compensation in this country, including the workings of the President's committee on economic security, appointed in June, 1934, and consisting of the Secretaries of Labor, Agriculture and the Treasury, Attorney-general Cummings and Harry L. Hopkins, federal relief administrator, which carried on for six months what is probably the most intensive economic and sociological investigation ever conducted in this country.

This committee had the benefit of a staff of technical experts and the services of actuaries, technicians and numerous committees appointed to investigate branches of the subject. In addition, several hundred interested organizations and individuals participated in the work. A special study was made of the experience of European countries, including the achievements under the British act of 1911, the Italian act of 1919 and the 1927 German act.

### Many Countries Have Security Acts

"At the time of the passage of the federal social security act, 18 countries had nation-wide systems about equally divided between the compulsory and the voluntary type," Mr. Morrison said. He brought out that the imposition of the 3 percent tax upon employers alone, without contributions from employees or from the government, is something that was entirely new.

"It is justified on the ground that 'employers' owe a duty to 'employees' to stabilize employment," he continued, "but a life company cannot stabilize the work done by its agents because it cannot control the amount of their work or determine its successful outcome. Such control is an inherent impossibility. Life insurance is not written by repeated importunities. The time, method and manner of approach, as

well as the needs of the proposed insured, must be determined by the agent who has his own clientele and who regards his work as that of an independent profession.

"It would be the height of injustice to impose this tax upon insurance companies, as alleged employers, when the only ground for the imposition of the tax does not exist."

In reviewing various decisions of courts on the interpretation of the (a) (b) and (c) clauses incorporated in the January, 1937, edition of the "Draft Bills" and the accompanying assurance from the social security board that it embodied only the "minimum standards" necessary to obtain the 90 percent credit under the federal act, he brought out that many recent decisions have held that coverage extends only to the common law relationship of employer and employee although there are a few cases in which the decision holds to the contrary.

"This minimum standard under a special provision of the federal act and the regulations issued pursuant thereto covered only a tax payable on compensation of employees and the regulations expressly excluded compensation paid to independent contractors," Mr. Morrison stated.

"The legislators knew practically

nothing of unemployment compensation," he continued. "They accepted the statement of the social security board. We must assume that the assurance of the social security board was made in good faith. The (a) (b) and (c) clauses were obscurely situated and looked innocuous on their face."

### Situation at Present

The situation, he said, is this:

(1) The President's committee and Congress, after most extraordinary investigation and deliberation, concluded that unemployment compensation should cover only employers and employees and so stated. Naturally they could not prevent legislative bodies from imposing additional taxes if they saw fit. But they went so far as to point out to them that imposition of taxes in one state, not imposed in a competitive state, put the citizens of the first state at a disadvantage.

(2) The state legislatures had no information or advice which would lead them to change the recommendations of the President's committee and nobody suggested to them that they make a change or advised them to make a change.

(3) No hearings were had and no interested parties notified that the coverage was to be extended and mil-

lions of dollars of unnecessary taxes imposed.

(4) It is inconceivable that 38 legislatures acting independently could arrive at practically the same time at the remarkable conclusion to change the coverage of the act.

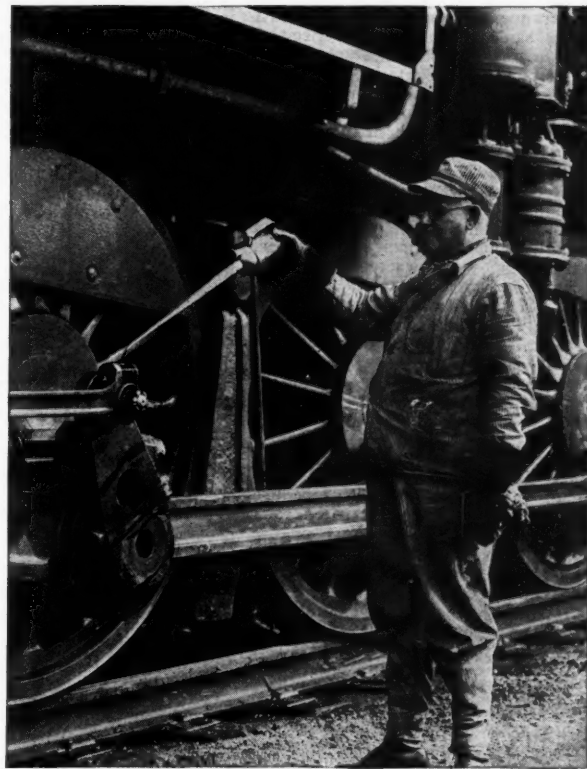
(5) The conclusion is inescapable that the legislatures did not intend to change the coverage of the act."

### Occidental Chicago Parley

LOS ANGELES — General agents and branch managers of Occidental Life of California in the midwestern, eastern and Canadian divisions will convene in Chicago Oct. 13, with home office officials for a three day conference.

Home office men going to the conference are: Executive Vice-president Dwight L. Clarke, Vice-president V. H. Jenkins, Secretary Howard J. Brace, Director of Agencies Raymond H. Belknap, Agency Secretary H. Dixon Trueblood, Associate Actuary Clarence E. Tookey, Medical Director Dr. J. Travnick, Jr., Accident and Health Superintendent F. B. Alldredge, Director of Field Training Lester S. Roscoe, Canadian Division Manager J. W. Miller, Group Supervisor R. F. Benjamin, Senior Underwriter Clarence Schultz, Home Office Representative George V. Shipley, and Vice-president L. J. Dougherty.

## Ready for the Retirement Run —



Railroaders on some of the largest lines in the U. S. and employees in other types of business from coast to coast make themselves truly ready for their retirement with LNL Salary Savings. This system provides employees with an easy protection and sav-

ings method to supplement their Social Security or pension plans. It provides employers with a fine employee relations program. It provides LNL field men with an excellent source of business.

## THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen

## One-Man Direction No Longer Possible in Life Companies

One-man direction of the vast volume and varied activities of a life insurance company is not possible in this era, Albert B. Brushaber, sales manager eastern division Wood, Struthers & Co., New York, declared in a talk on "Committees: Problems, Policies and Personnel" before the Financial Section of the American Life Convention in the annual meeting at Chicago. In earlier days the one man idea was practical for there was something about the individual which pleased the customers and was reflected in their business relations.

Domination of an undertaking by an individual then was essential to its survival because he contributed intangibles that were as much a part of the enterprise as the merchandise offered for sale. Limitations of communication and transportation restricted such business so it could not outgrow the individual or lose the touch of his personality.

### Business Highly Specialized

Time, however, has marched on. The autocratic form is not appropriate to life insurance any more. There must be, he said, departments specially trained to deal with the respective problems, and representatives of these departments meet as a committee to harmonize their activities with the policies laid down by the board, which in theory is the brains. A selective and specialized knowledge is brought to the committees by the various individuals. The committees are the delegates of the business heads, one of the most important being the finance committee.

Committees were created to act, whereas many talk too much, he commented. If they are all mere yes men they have their orders in advance and obey them. If, however, the members are real representatives rather than puppets, each approaches committee problems from a different angle and the resulting discussions are likely to prove educational and valuable.

Mr. Brushaber stressed that modern business like modern war, is a campaign of movement. Rigid procedure is all right in its place but often it is a strait-jacket on deliberations of the committee if too inflexibly applied. The high command should adjust its strategy to the necessities of the moment.

Mr. Brushaber concluded that the autocrat can assure prompt and direct action. This has some advantages. But even though he may be a good autocrat, the results may not be the best treatment for an enterprise. A one-man life insurance company is inherently weak, he said, because of what may happen when the dominating figure is gone, leaving no successor to carry on with a central guiding purpose.

### Ohio National Assured Vote

CINCINNATI — Policyholders of Ohio National Life have received proxies from the company and notification of a policyholders' meeting to act upon the proposed mutualization of the company Oct. 30. The plan has received the approval of directors, stockholders, and the Ohio department.

In a letter accompanying the proxy, President T. W. Appleby points out that life insurance is a cooperative enterprise and states that there is a definite trend on the part of stock life insurance companies to mutualize. "Mutualization," he states, "is simply a transfer of ownership from the stockholders to the policyholders." The reason for this trend of mutualization is due to the public interest characteristic of life insurance itself, and because it is a forward step in the fundamental purposes of life insurance.

## Trust Council Being Organized in Newark

NEWARK — Representatives of the Northern New Jersey Life Underwriters Association and a number of New-

ark's leading trust companies have organized a temporary cooperative committee which is the forerunner of a trust council to be organized along lines already followed in other principal cities. The group's first meeting will be held this week, the speaker being Albert Hirst, special counsel for the National Association of Life Underwriters and the New York State Life Underwriters Association and legal editor of The Diamond Life Bulletins. Mr. Hirst will discuss the new trends in the 1941 revenue act together with the change of rates. He will also analyze the bill as it pertains to trust companies and life insurance in conjunction with estate planning and life insurance.

Officers of the committee are John E. Clayton, general agent Massachusetts Mutual Life, and W. Deane Pruden of Fidelity Union Trust, co-chairmen; Fred S. Fern, general agent of National Life of Vermont, secretary; Leo E. Leichter, Federal Trust, treasurer, and Michael N. Chanlis, counsel.

Several meetings have already been held to discuss the advisability of more intensive cooperation between trust companies and life insurance men in Newark and the opinion was unanimous that a trust council should be formed, particularly in view of the many estate planning and taxation problems that may be expected in the future, and the desirability of cooperation between banking institutions and life insurance men specializing in estate planning.

## B.M.A. Texas Manager Honored with Surprise Meet

Sept. 30 marked the 25th anniversary of Albert W. Hogue, Texas manager, with Business Men's Assurance. He started with the company in 1916 as agent at Winfield, Kan., and was in the field four years during which he was twice second in production. In 1920 he was made general field supervisor in charge of agencies throughout the country and in 1925 was elected vice-president and director of agencies and continued until 1931, when he went to Texas.

The Texas agency now has more than \$14,000,000 of life insurance in force. To celebrate the anniversary, and unknown to Mr. Hogue the home office brought all the Texas agents and their wives into Dallas where they met Vice-president J. C. Higdon who escorted them to Mr. Hogue's office.

That afternoon was devoted to an informal meeting. That night following a social hour, the agents and their wives together with the members of the Dallas General Agents Association and their wives as well as a large number of Dallas home office officials were entertained at dinner in the Adolphus Hotel.

### Unity Mutual Congress

SAN FRANCISCO — Unity Mutual Life of Los Angeles, one of the few actively operating Chapter 9 companies, held a two-day sales congress here for northern California agents. President Ralph W. Smith, G. F. Betram, vice-president, and F. G. Shepard, assistant actuary, spoke. President Smith reported an increase of 33½ percent in accident and health and 21 percent in life business for the year. He announced a new ordinary policy designed to fit in with the social security program for the smaller buyer.

## "Exemption" Case Won by Assured in New York

The federal court for the southern district of New York has resolved an issue involving the question of exemption of insurance proceeds from creditors' claims in favor of the assured and beneficiary. The case was Dellefield, judgment creditor, vs. Block et al., judgment debtors.

The two policies in question were taken out by Mr. Block upon his own life in favor of his wife. Block borrowed against them to their maximum loan value. Both Mr. and Mrs. Block were judgment debtors. They contended that the insurance should be exempted pursuant to the insurance law because the beneficiary is the wife of the insured. On the other hand the judgment creditors argued that no exemption exists because the beneficiary is bound upon the judgment as well as her husband; in other words, that the interests of the Blocks in these policies are merged into a single interest because they are jointly liable on the plaintiff's judgment. The court remarked that this seems to be a novel point.

### Estates Not Merged

The court held that the separate estates of insured and beneficiary created at the outset of the contract of insurance and fundamentally different in their natures, cannot be considered as merging by the mere circumstance of the entry of a joint judgment. Section 166 of the insurance law, the exemption statute, according to the court, treats the respective interests of insured and beneficiary as separate and apart from each other. It protects the avails and proceeds of insurance taken out by the insured upon his own life for the benefit of another as against the creditors of the insured. It is clear, therefore, that this plaintiff, considered as a creditor of Mr. Block, cannot reach these policies. The only question remaining is whether as a creditor of the beneficiary, the plaintiff is entitled to levy. The court comes to the conclusion that the proceeds and avails of these policies are exempted from the execution of Mrs. Block's creditor.

## Secretary of Travelers Accident Division Dies

John E. Ahern, 61, secretary accident department of Travelers since 1912, died this week. A native of Hartford, Mr. Ahern was educated there, going to work in the Travelers accident department in 1898 immediately after graduating from high school. He had spent his entire business life with the organization. He became chief clerk of the department in 1905 and assistant secretary in 1910. He served as chairman of the Bureau of Personal Accident & Health Underwriters in 1924.

Mr. Ahern suffered a heart attack several years ago and his health had not been good since that time. His physician advised against his attending the funeral of Vice-president B. A. Page, with whom he had been so closely associated for many years, but he insisted on doing so and it apparently had a bad effect. He had been seriously ill for some weeks.

### Catastrophe Losses

Metropolitan Life statistics show that catastrophes account for something over 1 percent of all deaths from accidental causes in the country each year. During the last 4½ years catastrophes caused 5,600 deaths out of a total of 435,000 deaths in all kinds of accidents. Tornadoes, floods and hurricanes, etc., are charged up with 9.6 percent of all catastrophic accidents and are charged with one-third of the deaths. Catastrophes due to human failure comprise 90.4 percent of these accidents and two-thirds of the deaths.

## Keep Up-to-Date by Checking Up on Subscription Needs

In view of rapidly changing conditions at the present time it is essential that every insurance man keep up to date on his information. THE NATIONAL UNDERWRITER is now conducting its semi-annual subscription check-up and convenient order cards are enclosed with this issue so that non-subscribers can determine their reading needs for the coming year.

Although all the leading offices and companies receive THE NATIONAL UNDERWRITER every week, it is desirable that every agent and company man get his own personal copy either at his home, where he has more time to read, or at the office. The subscription cost is low and by having his own personal copy the reader can be sure he will not miss a single issue and he can clip and save data for future use.

### Published in Two Editions

THE NATIONAL UNDERWRITER is published in two editions—one covers the fire and casualty field and the other life insurance only. Those writing all lines will find it well worth while to subscribe for both editions.

Much attention is being displayed in the accident and health field at the present time. Premiums have been increasing rapidly during recent years and many readers of THE NATIONAL UNDERWRITER will find it desirable to subscribe to the only publication devoted exclusively to that field, The Accident & Health Review, which is published monthly. In addition to the monthly copies subscribers also receive without additional charge a copy of the annual Survey Edition every March which contains the outstanding sales ideas of the year, a review of developments, extent of disability facts, company figures and a wealth of background material. The subscription price of The Accident & Health Review is only \$2 a year.

### Provides Much Needed Help

Because of the need for more educational and sales material covering the rapidly growing casualty and surety lines, The Casualty Insurer provides a much needed help to every agent and company man. Published monthly, The Casualty Insurer covers background material, sales slants, court decisions, clippings of verdicts which can be used in soliciting and a wealth of information for the producer. Its subscription price is only \$1.50 a year.

A special publication is issued for debit men, The Industrial Salesman, which is published monthly and costs \$1.25 a year. It presents general sales material of help to all life agents as well as covering special problems of industrial men.

Fall is a natural time to subscribe to insurance publications as business is good and now is the time to take advantage of the effective sales ideas presented in increasing premium volume. Use the handy subscription card or pass it on to a friend (or pest if he is always borrowing your copy) and check your subscription cards right now.

### Welcome Reem to Rochester

ROCHESTER, N. Y. — Glen M. Reem, newly appointed manager of Guardian Life for west-central New York, was introduced to the Rochester insurance fraternity at a luncheon in his honor. Some 30 guests representing the general agents and managers of life companies in Rochester, heads of the Rochester Life Underwriters' and Life Managers' Associations and members of the Guardian's agency welcomed him.

Agency Vice-president Frank F. Weidenborner and Secretary John C. Slattery of Guardian Life were here. Mr. Weidenborner was toastmaster.

Mr. Reem succeeds the late Ernest B. Houghton.



J. E. Clayton



## Restoring Equitable Mortgage Business in Western Pa.

PITTSBURGH—Restoring a mortgage lending business that had been allowed to wither away at the start of the depression is the job of Harry E. Pople, exclusive mortgage loan broker for Equitable Society in Pittsburgh and western Pennsylvania.

Mr. Pople was with Equitable in a similar capacity prior to 1932. When the depression hit and mortgage lending declined, Mr. Pople was offered choice of a salary post to remain in the employ of Equitable. Mr. Pople had chosen commission to salary at an early stage in his career, when he was "on the road" for a confectionery firm. He declined the salary, struck out and engaged in the general real estate, subdividing and management.

He developed "Swan Acres," the only exclusively modernistic real estate development in Allegheny county. He has been engaged in the real estate and mortgage field for 25 years, and has been a member of local and national real estate organizations for 21 years. He is a member of the Institute of Real Estate Management and a charter member of the Home Builders Institute. During the depression he was real estate and mortgage consultant for banks and building and loan associations in this area.

### Active in FHA Field

He was one of the first to become interested in the Federal Housing Administration insured mortgage plan, and since 1935 until his present association with Equitable last Jan. 1 he placed \$10,000,000 in FHA loans. When Equitable broached reestablishing a mortgage getting as well as a mortgage service department, which last had functioned all along, Mr. Pople spent a year studying the local field.

He checked on where the mortgages were going, and analyzed them to see why. He brought sample cases to the attention of the mortgage department to determine what they could do to meet competition. Equitable does not take FHA insured mortgages, which meant that the ratio of the loan to the property value was less than some mortgagees offered.

Because of the low interest rate charged the mortgagor, 4 and 4½ percent, Mr. Pople found that holders of FHA mortgages could save themselves money by refinancing with an Equitable mortgage. An outlet for residential loans was found also in properties selling for more than the \$16,000 limit placed on a single dwelling by the FHA.

Having settled the question of policies and procedure, Mr. Pople set about building an organization to create mortgage business. He has five men working directly out of his office, handling business in the city and its environs. For outlying sections he has established branch offices. He has spotted these branches in major cities throughout western Pennsylvania. He has selected real estate brokers for these branch positions because of their familiarity with mortgage lending.

In addition to the low interest rate, another incentive for borrowers is furnished by the fact that no commission is charged the borrower on residential and business loans. Equitable pays half of 1 percent of the face of the residential mortgage toward closing costs of the mortgagor. Mr. Pople believes that this inducement is offered by few other mortgagees.

### J. T. Burk Indicted

NEW ORLEANS—Joseph T. Burk, president United Mutual Life of America, who was indicted in Wilmington, Del., by a federal grand jury on charges of fraudulent use of the mails, was arrested here. He organized two companies with the same name, one in Wil-

## U. S. Premium Tax Idea Shelved

The utmost interest is being shown by insurance interests these days in the federal tax situation. At present a joint committee of five members from the senate finance committee and five from the house ways and means committee are deliberating on a supplementary tax bill, in collaboration with treasury department experts. Senator George, chairman of the finance committee, stated a few weeks ago one of the main sources of tax revenue to be considered in the legislation is the insurance business. That the bill will result in an increase in federal tax payments by insurance companies is taken for granted, but just how much the tax is likely to be and what form it will take is uncertain.

For a time it appeared that a federal premium tax would be proposed and such a tax, it is reported, has been favored by the mutual fire and casualty companies. However, the latest indications from the Washington front are that this idea has been shelved. There is said to be a strong sentiment in favor of abolishing tax exemption in connection with the coupons of all federal bonds and that would tend to increase the tax upon insurance companies. Then, in other ways, the income tax deductions that are now permitted insurance companies might be modified. If that were done, the principal increase in tax would fall upon the life companies and the mutual fire and casualty companies, which enjoy such deductions now that their federal income tax payments are inconsiderable. The stock fire and casualty companies have not been so favorably situated and they have been making substantial income tax payments. It is expected that the bill will be forthcoming in about a month.

### Strong Finish for L.O.M.A. Convention in Cincinnati

CINCINNATI—Two most enlightening discussions by men who might be regarded as "outsiders," and the talk on the federal wage and hours act by F. L. Rowland, executive secretary, featured the closing sessions of the Life Office Management Association's annual gathering in Cincinnati. W. H. Bennem, vice-president American Surety, and L. L. Shoemaker, director of education, National Cash Register Company, were the two guest speakers.

By citing numerous instances of actual defaults made by life insurance company employees in home and branch offices, Mr. Bennem brought home the services of his company's field to life insurance. He suggested a number of methods of operation which are most effective in preventing the possibility of misappropriation of funds and stressed particularly the division of responsibility between two or more individuals in the handling of all funds. He also pointed out to the life men how bonding companies in addition to indemnification also offer three important other services, investigation, prevention and claim service.

Speaking on the six essentials that make a star salesman and pointing out that all jobs involve selling, Mr. Shoemaker particularly emphasized sincere enthusiasm as the most important characteristic. Other essentials, he said, included respect, tact, resourcefulness and knowing how to work.

Technical talks on auditing, accounting and the use of machines in home office business by J. L. Batchler, Kansas City Life; H. H. Warthen, Provident Mutual; J. E. Laurie, Prudential; T. F. Meagher, New England Mutual; D. L. Brush, Connecticut General; L. J. Massee, Massachusetts Mutual; G. E. Parks, Bankers Life, and Frank Fitton of Metropolitan concluded the final session.

mington and the other here, as well as other mutual benefit societies.

## QUIZ AD No. 5

**QUERY:** What life insurance company has increased its insurance in force every year since organization?

**COMMENT:** Many companies have increased assets regularly. Some have made steady increases in surplus. But very few have increased insurance in force each and every year of operation. A liberal agent's contract, a hard-hitting agency department, a modern line of policy forms . . . these are factors that enable Continental Assurance to enjoy this enviable distinction.

*Continental*  
**ASSURANCE COMPANY**

**CHICAGO, ILLINOIS**

*Affiliated with*

**CONTINENTAL CASUALTY COMPANY  
TRANSPORTATION INSURANCE COMPANY**

## Future of Electric Utilities Assured

### Vanderbrouk Tells A. L. C. Financial Section Reasons for Confidence

Electric utility bonds will pay out in those companies which continue to measure up to the standards of the past, Frank S. Vanderbrouk, executive vice-president Monarch Life, told the Financial Section of the American Life Convention at the annual meeting in Chicago in a discussion of the future of the electric utilities industry. There is no substitute and never will be for careful selection, proper diversification, insistence upon adequate capitalization and proved valuation between limitations set by the Securities & Exchange Commission, he said.

#### Issues Word of Warning

"In addition to these factors, we would probably do well to avoid for some time to come, investments in those units most likely to be affected by the death sentence provision of the public utility holding company act, for the obvious reason that we don't know how well the underlying company managements are going to survive the pressure of their new responsibilities. The weaker units will become weaker due to increased expenses while the stronger units will eventually solve their problems.

"It appears that the electric utility industry may furnish a diminishing source of investment, and it may become increasingly subject to public and municipal management and ownership. However, it does not seem likely that these developments will impair the integrity of the existing debt so long as such debt represents properties which are well located, soundly managed and adequately financed."

#### Public Ownership Threat

The utilities are not threatened by ordinary competition, he said, but the threat of public ownership is another matter.

"We tend naturally to view with alarm the encroachment of public ownership of facilities and those of us who hold evidences of the debt of privately operated utilities and publicly operated utilities could well be accused by the purist of having a left hand and a right hand.

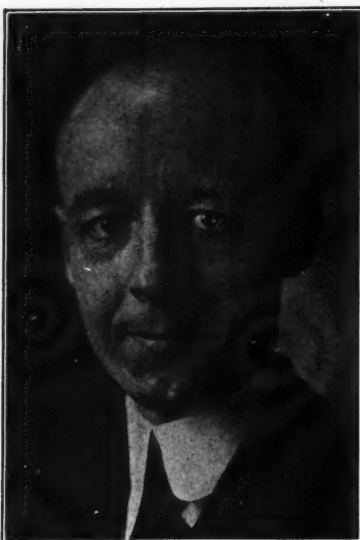
"Public ownership, however, does have certain advantages over private ownership for it has the power to guarantee rates to itself sufficient to pay interest on the principal. It brooks no competition. It operates under a scheme of reduced taxes, and it avoids vexatious litigation."

Mr. Vanderbrouk said the rate problem is interesting for fair valuation as a basis for setting rates seems to be outmoded. The new concept tends to view the key to rates as "properly depreciated original cost."

#### Costs Tending to Rise

Operating expenses are of fundamental importance, the three main factors being labor costs, taxes and additional capital. If the present trend continues, he said, it seems reasonable that labor costs and taxes will continue to absorb increased portions of utility earnings and cost of additional capital will not remain eternally at the present low base. There is still another factor, operation of the death sentence provisions of the public utility holding company act of 1935. Elimination of holding company control will call for exercise by officials of functions and operations strange to them and some people feel these management adjustments will be difficult, with at least temporarily increased costs as a result. However, Mr. Vanderbrouk said he wondered if

## Provident Mutual Man Feted at 25 Year Mark



E. W. MARSHALL

Edward W. Marshall, vice-president and actuary of Provident Mutual Life, received many congratulations from his friends in the home office and elsewhere when he celebrated his 25th Provident Mutual anniversary. He was presented a book signed by all 55 members of the Provident Mutual home office group who had completed 25 years or more of company service. The book was "The Road of a Naturalist," by Donald Peattie.

Mr. Marshall entered the business in 1909, and joined Provident in 1911. In 1915 he left to enter the employ of Fidelity Mutual as assistant actuary. In 1920 he returned to Provident as assistant actuary and became successively associate actuary, actuary and vice-president and actuary. He is prominent in civic work in Haddonfield, N. J., where he makes his home. He is a trustee of the T. Wister Brown Teachers' Fund, a member of the board of the Fiduciary Corporation of the Society of Friends.

He is an enthusiastic ornithologist and nature student. He is also a member of the locally well-known golfing group of business and professional men known as the Ozone Club. He is a fellow of the American Institute of Actuaries and of the Actuarial Society of America, of which group he was vice-president in 1938-39, and is now a member of the executive council.

the reverse might not occur in many cases, with an all-around net gain to the industry and consumer.

#### Little Cause for Concern

Altogether, he concluded, there is little evidence to cause life company investment men to view their investments in electric utilities with dissatisfaction and it also seems reasonable to conclude replacement of the industry by some new development is remote. Unless such replacement should occur, or economic development of the country stop, the industry will continue to progress either by physical expansion or increased use of facilities at hand.

#### Herron at Jackson, Tenn.

JACKSON, TENN.—"Many insurance agents destroy their possible effectiveness for their present job by always being on the lookout for another one, for 'greener pastures,'" C. M. Herron, vice-president and territorial manager, declared in addressing a meeting of Life & Casualty representatives of the Jackson district in celebration of their production record for the first three quarters. District Manager J. C. South was master of ceremonies.

## Seek Approval of Basis Below 3%

LINCOLN, NEB.—Insurance Director Fraizer has under advisement applications from several large eastern life companies for approval of policies carrying an interest assumption of less than 3 percent.

The present Nebraska law provides that interest assumption shall not be less than 3 percent and no more than 4 percent. Company representatives asked the last legislature to reduce the minimum to 2 percent, but the bill was killed in committee.

Applicant companies have submitted arguments that the law, properly interpreted, does not bar sales in the state of policies such as those for which approval is sought.

## Employs College Students on Part-Time Basis

The latest bulletin of "The Interpreter," which is the publication of the Insurance Accounting & Statistical Association, recites the experience of the State Farm Insurance Companies of Bloomington, Ill., in utilizing part time employees. State Farm early this year, according to the account, faced the problem of either expanding its permanent home office force or making some arrangements whereby work might be handled on a shift basis. The latter alternative was ruled out and instead the companies decided to experiment with the employment of university students as part time employees. Illinois Wesleyan University and Illinois Normal University are located in Bloomington.

#### Many Students on Staff

At present the State Farm Companies are employing 115 such students. This group performs as a part time second shift with its normal hours ranging from 4:45 to 8:45 p. m. five days per week and from 8 to 12 noon on Saturdays. They are paid at the rate of 40 cents per hour and are guaranteed a minimum salary of \$30 a month. Currently the student employees are receiving an average monthly income of about \$40.

This group is drawn chiefly from the freshman and sophomore classes. They are not subject to military conscription and they are not striving for advancement. They are used principally in the underwriting, policy issue and accounting departments. They perform underwriting clerical work, routine correspondence, policy writing and checking, coding and tabulating machine work. The companies feel that from these part timers, they will be able to recruit a good many trained clerks for permanent positions after they have completed their college work.

## Objects to Forfeit of Pension When Change Made

J. Dwight Evans of Lincoln, Neb., now an independent life insurance man, writes THE NATIONAL UNDERWRITER, commenting upon a recent article on the subject of agent's compensation. He feels that whatever retirement income is to be provided for an agent at age 65 should not be contingent upon having represented but a single company. The retirement income, he believes, should be based upon the number of years he has worked and the amount of dollars he has earned during those years, regardless of whether he has been connected with one or many companies. That is the principle of the federal social security scheme. It is based on the fact that a man at age 65 will need income and that it should be paid to him for the amount of work that he has done during his active years.

An agent, according to Mr. Evans, should not be penalized because he leaves one company and goes with another. It may be necessary for the agent to make a change, he asserts. Occasion-

## Travelers Discerns Some Significant Trends in Its Recent Issues

L. M. Robotham, secretary of Travelers, gives some statistics on the issues of the life department during August as an indication of what features are popular. About 10 percent of the policies had family maintenance agreements attached indicating that many men who previously had enough life insurance to provide a comfortable income for their families before prices began to rise are realizing that their present insurance would not be enough in case of death within the next few years and that other men who in the past have not been able to buy the life insurance they wanted are now in a position to afford more.

Eight out of every 10 applicants are men and two are women. The average age of both male and female applicants is 35 years. The average size of the policy applied for by men is \$4,604; by women \$1,380. Three out of every four men who apply for life insurance were married. About two out of every four of the female applicants were married. Only 30 percent of the men who applied for life insurance owned as much as \$5,000 insurance at the time.

Three out of every four of the male applicants requested lump sum settlements. Those that did name some specific income plan or settlement agreement applied for an average policy of \$7,659 as compared to \$4,064 of the combined average. One out of every eight applications was taken in the month preceding the change of age. An impending rate increase is one of the most potent stimulants of life insurance sales, he observed. Men who know they need more insurance but are inclined to procrastinate, will take action when they learn that they will be penalized by a higher rate if they delay. Each man has his individual rate increase for life insurance every year.

Mr. Robotham recommends that the agent sell monthly income rather than lump sum and build up a change of age file and solicit each name in that file shortly before his rate changes.

## CALLED TO SERVICE

Robert D. Dewar, a member of the Warren V. Woody agency of Equitable Society in Chicago, has become an officer in the navy. Commissioned Sept. 12, he reported Oct. 1 at San Pedro, Cal., for a tour of sea duty abroad a battleship in the Pacific fleet. Mr. Dewar plans to return to the agency after service.

Mr. Woody, a navy flying officer in the last war, is chairman of a committee of world war navy fliers in Chicago who have organized the all-Chicago navy flying squadrons, "Chicago's Own" and the "Blackhawk."

Lieut. Col. Irwin Hertzman of Hertzman & Hertzman, Louisville general agent of State Mutual Life, has been ordered on active duty, to report at Fort Knox, Ky. The business will be continued by his brother, Alexander Hertzman, a partner for a number of years.

James R. Kennedy, with the claim department at the home office of Federal Life, Chicago, for three years, is on duty as a lieutenant in the air corps reserve. He is stationed at Scott Field, Belleville, Ill., where he has charge of military police. Mr. Kennedy was secretary of the Chicago Claim Association and a successor will be elected at its meeting Tuesday evening.

ally a general agent becomes involved personally in some way so that the working conditions of the agency become unpleasant and, according to Mr. Evans, an agent should feel free to seek another connection, without forfeiting his pension rights.



## Northwestern National Expedites Handling of Proceeds Agreements

A new form for the agent's use in requesting proceeds agreements from the home office has been furnished field men of Northwestern National Life. It is a revision of a form used for the past four years which has virtually eliminated time-consuming correspondence about proceeds agreements between the agent and the home office.

President O. J. Arnold points out that in four years' experience with the simplified form the company has not once where it was used, had to write back to the agent about the settlement option requested.

Northwestern National has not adopted any standardized form for the proceeds agreement, as it feels that a desirable degree of both simplicity and flexibility can be achieved only if considerable latitude is allowed in stipulating the terms of settlement.

### Duty to Fill Policyholder's Needs

"Our most important duty is to fill the policyholder's individual needs," Mr. Arnold said. "This is more important even than conserving time for either the agent or the home office. We do not consider an agent's time wasted that is spent in closely analyzing the policyholder's particular situation and in determining just how best to meet his needs by the use of settlement options. On the contrary, we believe the agent cannot spend his time to better advantage than in giving this kind of service. But we have found that by adopting a request form that is reduced to the simplest possible terms, making it easy for the agent to complete yet leaving ample space for unusual requests, we are saving the agent's time—and this is time that was formerly wasted in profitless correspondence with the home office to clarify his request.

"The company feels that its policyholders are entitled to the benefit of its broad experience in settlement options and does not hesitate to make suggestions in the policyholder's interest. If its suggestions are not acceptable, the company cheerfully carries out the policyholder's wishes unless there is some compelling reason why it cannot do so. When a policyholder's request comes in to the home office the assumption is that the request will be met. If it presents special and unusual problems, it is given special and unusual attention and when necessary, special forms are prepared. Policyholders' requests are refused only in cases where it would be illegal to grant the request or where, after careful consideration, the company decides that it would be unfair to its other policyholders to do so, or where the request is deemed to be out of line with good business practice."

## Dozois Reveals Novel A. & H. Sales Approach

NEW YORK—Approaching a prospect on the basis of a tax-free investment which is not securities or life insurance is a good opener for the sale of accident and health insurance, according to A. D. Dozois, general agent of several accident companies, who spoke at the opening educational conference in New York City sponsored by the Accident & Health Club of New York and given under the auspices of leading companies and agencies.

Mr. Dozois also uses effectively a five point description of a perfect personal insurance program.

Other speakers were G. M. Chorlian, life insurance producer, who stressed the simplicity appeal of reimbursement and dismemberment insurance in sales to students and housewives; W. L. Kick, Century Indemnity, educational committee chairman, C. S. Ashley, Jr. vice-president Maryland Casualty, and R. W. Pope, Employers Liability, club president.

## Conn. Mutual Supervisors Honored as "Dependables" Called to Home Office

Connecticut Mutual supervisors who have qualified for five consecutive years for its organization known as the "Dependables" were guests of honor at the home office in Hartford this week. Earlier in the year, agents who had qualified five consecutive years were similarly invited to the home office.

The "Dependables" idea was conceived and organized five years ago by Vincent B. Coffin, vice-president and superintendent of agencies, and the organization now carries high prestige. All representatives strive for membership in the group, which is based solely on the individual's establishing a budget which will comfortably meet his financial requirements and then earning enough in Connecticut Mutual commissions to equal his budget.

The group was welcomed by Mr. Coffin who stressed the great contribution they had made, and lauded them for their record of consistency.

A series of conferences and discussions was held, aimed at helping the supervisor do a better job under present-day conditions. A banquet was also held at which the "Dependables" were guests of President James Lee Loomis.

F. O. Lyter, assistant superintendent of agencies, had charge of the meeting, and built a program in which P. M. Fraser, executive vice-president, and other speakers discussed such topics of interest to supervisors as the company's financial position, new organization problems, time management and employee insurance plans.

## Ohio Revokes 5 Licenses in Speculation Case

CLEVELAND—As a further step in its investigation of speculation in human lives the Ohio insurance department revoked the licenses of five Cleveland agents. The agents are charged with improper conduct resulting in various persons securing speculative insurance or making false statements on applications for policies, or both.

The revocations were signed by Deputy Superintendent Crabbe who conducted hearings in Cleveland recently to determine whether 22 life agents should continue writing insurance.

In addition to the revocation orders findings were made continuing the proceedings as to 15 agents. Charges were dismissed against W. M. Boolish, 4947 West 14th Street, and J. J. Benson, 10304 Adalaide Avenue, Cleveland.

Agents whose licenses were revoked were: Charles Whetstone, 6010 Franklin avenue; R. J. Conley, 10514 Governor; E. F. Leahy, 16917 Woodbury, and Charles Keenan 11617 Locust, all of Cleveland, and J. F. Irwin, 6815 Gilbert, Parma.

Agents against whom the proceedings were continued indefinitely and who may continue to act as agents are: Bernard Lindner, 4612 Burger Avenue; M. R. Vetrone, 3506 West 48th; Philip Cohen, 10304 Somerset; John C. Shandor, 11211 Clifton; Ben Mirnoff, 11701 Scottswood; Edward F. Dunn, 3210 West 94th; B. C. Mulheran, 15054 Rosemary; Maurice Wohl, 12094 Chesterfield; Daniel O'Donnell, 17714 Valleyview, and W. J. Gill, 9910 Raymond, all of Cleveland; Maurice Eventt, 2450 Overlook road, Cleveland Heights; T. A. McCarthy, 1342 Gladys, and William E. Conway 2078 Chesterland, Lakewood; Charles Adler, 1774 S. Limestone, Springfield, and Howard Culver, 19565 Sporeland, Rocky River.

### San Antonio Cashiers Confer

The San Antonio (Texas) Life Office Cashiers Association held a roundtable discussion, led by Milton Young, Connecticut Mutual Life. In Texas, it was said, the insurance which may be carried on a life cannot exceed in

amount the interest of the one who is to benefit in the life involved. Consequently, a policy in Texas is not negotiable by the one to benefit for a greater amount than the insurable interest which he holds in the life of the insured. It was also developed that some companies rule, concerning optional modes of settlement, that when an assignment is made the settlements are no longer valid. It was pointed out many companies require the beneficiary of a policy to sign an assignment. The question was asked whether cashiers are doing anything to discourage refinancing loans on policies, and it appeared few if any are doing anything about this matter.

Lewis W. Douglas, president of Mutual Life of New York, was a visitor at the American Life Convention meeting in Chicago this week. It was the first time that a Mutual Life president has ever attended an A. L. C. gathering. He was introduced to the officials by Vice-president A. E. Patterson. He was accompanied by E. C. Wightman, research assistant at Mutual Life home office, who was formerly with Lincoln National Life.

A. N. Kemp, president of Pacific Mutual Life, was widely entertained when he visited Oklahoma City. A dinner

## Article in "American Home" Endorses College Insurance

College education insurance is the subject of a feature article in the October issue of "American Home" which appeared last week in two million American homes.

"Picking the College Is Not Enough" is the title of the article, which points to the need for guaranteeing the funds for the boy's or girl's eventual higher education. The effective use of life insurance for this is described for the parents of future college students or would-be-students.

The article emphasizes the fact that every eighth boy or girl will lose his or her father before reaching college age, so that many thousands now planning on college, perhaps some particular college, will not be able to fulfill that ambition, unless provided with some such guarantee as life insurance will provide.

was given by the Oklahoma agency, of which Carroll C. Day is general agent. Mr. Kemp was guest of honor at a breakfast the following morning at the Chamber of Commerce, at which Mayor Hefner was host. Guests were leading business men of the city.



## IT'S A "BEST SELLER"

The Minnesota Mutual has developed a plan to go hand in hand with Social Security. It is a counter balance that will provide an income for the difference between the Social Security income and the minimum level income desired.

Look over these ADDITIONAL ADVANTAGES enjoyed by our Field Force:

1. A liberal agency contract
2. A plan for financing your agency
3. Accounting methods to guide you
4. Proven plans for finding—training agents
5. A liberal financing plan for your agents
6. A unique supervisory system
7. Organized Selling Plan
8. Unusually effective selling equipment
9. Policies for every purpose: Regular — Family — Juvenile — Women — Group — Payroll-Savings, Social Security, etc.
10. Low monthly premiums

A \$248,000,000 Mutual Company, 61 years old, with an understanding, cooperative Home Office

## THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

## Mortgage Study Is Recommended by Financial Men

(CONTINUED FROM PAGE 1)

had greater attendance than the entire annual meeting of the A. L. C. in its earlier years.

Chairman Charles F. Nettleship, Jr., of the Financial Section, secretary of Colonial Life, said few if any of the problems discussed at the 1940 annual meeting have been solved and most of them have become accentuated. Consequently the picture is not an enchanting one. The investment officers, however, must look at it critically, analytically and dispassionately.

### Real Estate Liquidation Noted

"Perhaps the greatest benefit derived by the life insurance companies these past 12 months has been in the liquidation of foreclosed real estate. To whatever extent we have ceased to operate apartments and farms, stores and garages, and have turned over that operation to those who will conscientiously and constructively protect and add to their equities in them,—to just that extent have we benefited ourselves and society in general.

"From the reports which pass through your hands and mine, it is apparent that mortgage loans are being made. But the net addition to mortgage loans outstanding is not sufficient,—nor is the amount of interest derived therefrom,—to permit any financial officer to relax his efforts in securing desirable commitments."

### Federal Issues' Low Yield

Mr. Nettleship spoke of the "taxi," a term which in the jargon of the trader means a government bond subject to all and sundry varieties of tax. The Secretary of the Treasury, he said, recently announced in the next nine months the government would seek seven to eight billions of new money, less \$2,700,000,000 in defense bonds and stamps. This will afford life company investment men opportunity to invest a considerable amount although the rate may be low. Similarly the state, county and municipal bonds, and the special purpose and revenue bonds, give low yield.

"Whether or not the tax exemption of those now outstanding will endure, whether bonds of authorities and commissions are to be treated differently from political subdivisions in this respect, and whether tax exemption as we know it now will mean anything to us in the light of succeeding revenue acts, we can only conjecture," Mr. Nettleship commented. "There is a law of diminishing returns."

He said while the railroad industry has been very sick, it is probable, the illness will run its course, leaving, as vigorous survivors, those few roads whose credit has been unimpaired or those which have been resuscitated. The latter, once their rehabilitation is effected, are likely to produce more favorable mortality statistics in years to come than are some current investment favorites for which competition is keen on a 2.65 or 2.70 basis.

### Big Offerings Are Expected

"Not much attention need be paid the industrial and miscellaneous group," Mr. Nettleship said, "since the total outstanding is relatively small and offerings with adequate quality are few and far between. This leaves only public utility securities, which have comprised about 25 percent of the portfolio, exceeded—and then only recently—by holdings of government bonds." Construction programs of electric utilities, he said, indicate an increase of some 21,000,000 kilowatts in generating capacity over the next five-year period or about 50 percent over present capacity, before allowing for retirements. This will necessitate construction budgets of over a billion dollars a year before the end of the period is reached. Normally the companies could anticipate the prospects of financing much of this, but probably will get very little of it, he said. Competitive bidding is detrimental to policy-

holders' interests and the companies are obliged to oppose it.

"It is not my purpose in these remarks to advocate a crusade, to add to the list of causes which must be sponsored, or to suggest that we adopt a resolution which can be passed on to oblivion. I submit the fact that the field of opportunity in life insurance company investing is becoming constantly more restricted. While we may be unable to reverse the course of economic forces, we must make every effort to prevent strangulation resulting from theoretical and impractical fiat, edicts, rules and regulations. We have a right to be deeply concerned about all this; we have a duty to our companies and to our policyholders to do something about it."

Col. C. B. Robbins, A.L.C. manager and general counsel, spoke briefly at the luncheon initiating the Financial Section meeting. He praised the younger men whose energy, ability and resourcefulness had contributed so much to the great growth of the section, and noted their fine work on the Investment Seminar.

James H. Clarke, assistant vice-president American National Bank & Trust Company, Chicago, discussed the railroad wage controversy.

### Murphy Reads Foscett Paper

H. W. Foscett, assistant vice-president of Equitable Life of Iowa, was unable to deliver his talk on "We Are Salesmen, Too," due to death of his father. Although he was absent, he sent his paper, which was read by J. Price Murphy, his associate in Equitable.

Demand for money once far exceeded supply, and the financial officers set the terms and felt the way they conducted the business was their own concern. Times have changed. The conventional money-lending attitude has been altered since the borrower came into the position where he was doing the lender a favor.

The investment officer has a selling job. No transaction with a policyholder

or other member of the public is too trivial not to be done well, promptly and pleasantly. Mr. Foscett said in his paper he had become acquainted with many legislators in Des Moines who asked his opinion about insurance matters in bills. A fundamental is to treat a customer courteously. Mr. Foscett said the sympathetic treatment of property owners by life companies in foreclosures during the depression made many friends for life insurance.

Recent changes in economic conditions might make a good case for retaining land in strong hands, such as life companies, but many state laws frown on this practice and wisdom dictates disposing of foreclosed properties as soon as possible. It is good salesmanship to conduct the business so as to convince the public the life companies want to get out of the real estate business.

The public expects the life companies to observe the spirit as well as the letter of the law. Law violations, or evasions injure the prestige of life insurance.

Decisions must be made and communicated quickly to customers. Bureaucracy and red tape have no place in a life company. They do not build good will.

Mr. Foscett cited a legislator who visited an investment officer only to wait for hours and then be turned away without seeing the man. This was bad salesmanship, he said, and, of course, reacted against the whole life insurance institution.

The future of electric utilities was considered by Frank S. Vanderbrouk, executive vice-president of Monarch Life. He feels that save for the threat of government ownership, obligations of this industry will have a stable future, except financial officers probably should avoid investment in units most likely to be affected by the death sentence provision of the public utility holding company act. The electric industry may furnish a diminishing source of investment and may become increasingly subject to public and municipal management and ownership, he said.

W. B. F. Hall, second vice-president of Lincoln National Life, urged a joint study of mortgage mortality by the companies in an effort to place the business of investing in mortgages on a more scientific basis, and proposed that punch cards be used as with human mortality.

Mr. Hall digressed to tell flying experiences. He commented on the growth of instrument and "blind" flying, noting that with its advent out went the legend of the swash-buckling "superman" pilot and in came the more conservative flyer who was willing to accept the evidence of his instruments rather than his own senses. Some such development is taking place in the investment departments of life companies, he commented. There is less reliance on a mysterious sixth sense that is supposed to tell a select few when an investment is good, and more on the scientific method of painstaking study and analysis, of fact-finding and correct interpretation from the data. The "seat of the pants" fliers in the mortgage department come at a tremendously high price, he said. They have to have a staggering amount of experience to be good. Mr. Hall placed his faith in "instrument flying" by means of a joint study of mortgage mortality, the main theme of his talk.

Mr. Hall's suggestion to exchange mortgage information met most favorable response.

Grant Torrance, treasurer of Business Men's Assurance, moved to appoint a committee to study the suggestion. W. Ralph Jones, president and actuary

of National Fidelity, said he long had believed the business should have some aggregate data on investments and the motion to pass the matter on to the A. L. C. executive committee was adopted.

### Autocracy in Business Passed

One-man control and management of life companies, as in general business, no longer is practical, Albert B. Brushaber, sales manager eastern division, Wood, Struthers & Co., declared in a talk. This is a day of committee management, of specialization and the advantages that come from conference.

Cities in future must be designed and built to meet the trend that has developed against concentration of all activities in an urban center, Gordon Whitnall, city planning consultant, director-manager Los Angeles City Planning Commission and faculty member of Urban Land Institute, Chicago, explained in a talk on urban disintegration and the future of land investments. Extension of cities to suburbs, growth of outlying business and shopping centers and other factors make it clear cities in future will be spread much farther than heretofore, having an effect on values in the old business districts.

### FARM PICTURE

One-half of the farms in this country earn less than 12 percent of the national farm income, a situation too conspicuous to be ignored, Wheeler McMillen, president National Farm Chemurgic Council, Columbus, O., and editor-in-chief "Farm Journal & Farmer's Wife," Philadelphia, stated in a talk.

Although this fact is not so alarming as it sounds because studies indicate farmers have about \$3,000,000,000 of income from other sources than their farm operations, it is clear more than half the farms do not produce enough products to be sound, stable economic units. Therefore, new additional crops must be introduced into the agricultural economy until the acres and energies of the farmers are fully employed at remunerative production. He feels this is a subject that should be of greater interest to executives of life companies because of their great investment in farm first mortgages and their holdings of thousands of farm properties taken over by foreclosure.

### Best Income with Big Yield

Mr. McMillen proposed it might be more effective to offer farmers payments as incentive for producing more of the crops which the nation needs, than as at present for not producing crops which the markets do not need. He said examination of total national farm income for more than 70 years shows that while big yields have sometimes been accompanied by low prices, farmers almost invariably have received their largest total incomes when their total production was largest.

"Few of us can have faith in patent panaceas for the prevention of depressions or for the insurance of prosperity," he concluded. "We do know, however, that as long as production can be kept expanding we can have prosperity, and that the more we can resist the contraction of production the less severe will be our depressions."

"Half of the nation depends first hand or second on the production of agriculture. When the quantity and the profitability of that production is assured, the demand for goods and services is likely to keep the other half of the nation profitably employed, too."

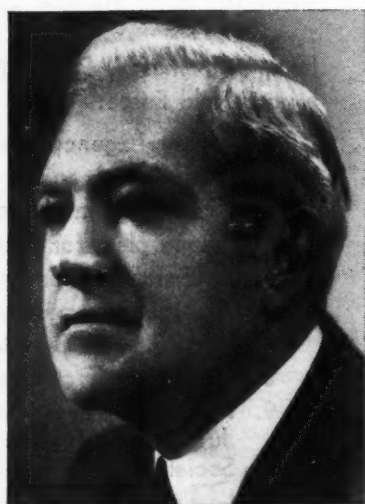
### Guertin on Asset Valuation

Alfred N. Guertin, actuary New Jersey department, discussed asset valuation as an index of security, expressing belief some systematic method could be developed by which mortgages in default for some fixed period would be systematically reduced in assets value. The department has been seeking to



F. S. Vanderbrouk

### Mine Host



W. M. DEWEY

President W. M. Dewey of the Edge-water Beach Hotel, Chicago, is in his element this week as he is entertaining the annual meeting of the American Life Convention and its Legal, Financial, Industrial and Agency sections. Perhaps there is no meeting of insurance men that foregrounds in the hotel that has a greater sense of loyalty to Mr. Dewey than the A.L.C. He looks after the members in the finest style and his hotel is the permanent meeting place of this organization.



place real estate asset value on a basis recognizing it as salvage and not investment. However, the real estate situation is less acute and such assets may prove very valuable to life companies, he said.

#### Against SEC Ruling

Thousands of small investors are being deprived of the opportunity to hold high grade investment securities through operation of the Securities & Exchange Commission's ruling compelling competitive bidding for public utility securities, Emmett F. Connely, president Investment Bankers Association of America declared. He felt the ruling was not in the public interest. More than \$100,000,000 of highest grade securities held by thousands of investors of six months ago will be held by four institutional buyers, he said. Mr. Connely termed the recent sale of \$90,000,000 American Telephone & Telegraph bond issue to three insurance companies "a great mistake" and "a shortsighted policy on the part of the insurance companies." "The long range viewpoint should, in my opinion, be focussed on a firm, sound financial mechanism for this country. Recent history abroad is adequate proof that when private investment banking is eliminated private enterprise dies. The investment banker is an essential cog in our economic structure. The day will come when the insurance companies will need him for the purpose of shifting some of their holdings. If, in the meantime, he has lost much of his outlet for securities because of a dearth of proper merchandise, his entire distributive machinery will have to be rebuilt. That cannot be done overnight. It is essential that our machinery of distribution be kept functioning by the cooperation of the forces of finance that have been an ally of investment banking during the last 150 years."

#### Cites New York Bond Sale

He cited the New York State Gas & Electric bonds, bought in their entirety by a large insurance company. The old securities refunded were held by 99 different insurance companies, he said, so 98 companies had their bonds called with no chance to replace them. Many investors of other types lost their chance to reinvest in the new securities.

"I am certain," he commented, "that Congress, in passing the public utility holding company act, a measure designed to break up the large holding companies, never envisaged that the day would come when small investors would be frozen out of high grade investments through the SEC's interpretation of the powers granted it under this act."

#### Tells of Railroad Situation

Lost passenger business was rehabilitated and the railroads had a remarkable financial comeback through initiating the streamlined train, Col. E. J. W. Ragsdale, chief engineer Edward G. Budd Manufacturing Company, Philadelphia, declared in a talk. The immediate objective was attained and the effect extended into all phases of the railroad business, reacting on railroad securities.

The streamlined train restored the spirit of railroading and also public confidence in it. There were many people who in years past felt the attitude of railroad men was "the public be damned," a dangerous sentiment which the public was ready to believe was an expression of policy.

Ill-will brings deficits, Col. Ragsdale said and deficits force a desperate management to curtail service and expenses, which action also curtails revenue. He admitted the railroads often have earned public ill-will.

This situation was transformed by advent of streamlined trains. Since the first Zephyr, 100 streamlined trains have followed, few paying less than 30 percent a year. Some railroad men had felt they would be better off if the passenger business were eliminated. With such an attitude it was a wonder the passenger business did not elimin-

ate itself, and it nearly did so. It dropped from \$1,250,000,000 income in 1920 to \$400,000,000 in 1932, with a rise in ill-will that was reflected in every phase of railroad operations. There was a drop in freight business.

Then came the streamlined trains, Burlington and Union Pacific, and a great public interest that demonstrated the public still could be interested in railroading. Eventually, even bondholders recognized the wisdom of spending good money for better trains.

#### Boston Actuaries to Meet

The first fall meeting of the Actuaries Club of Boston, Oct. 15 will be in charge of C. L. Weaver, assisted by S. F. Conrod and A. M. Price. The club will consider practices in the issue of pension trusts; methods in use in allocating general expenses by lines of business in the gain and loss exhibit; advisability of enactment into law of model bills suggested by the Guertin committee, and what basis the companies have used in preparing for the government inventory values of contracts on the lives of residents of other countries.

Monumental Life has appointed G. Schaake, manager at Toledo and T. Mitchell, manager at Flint, Mich. They were formerly special home office representatives.

## Draws Conclusions on Age Adjustment in Life Policies

Six conclusions regarding the incontestable statute or clause in relation to the age adjustment clause were presented by Walter Schmitt of Bettinger, Schmitt & Kreis, Cincinnati attorneys, in a paper before the Legal Section of the American Life Convention meeting in Chicago this week.

The age adjustment clause is not invalid because of its contestable statutes or clauses, he said. It is not invalid by reason of misrepresentation statutes which apply only when an effort is made to invalidate the policy for material misrepresentations which induce the issuance of the policy.

Enforcement of the age adjustment clause is not a "contest" within either the incontestable statutes or the incontestable clauses. The age adjustment clause is not inconsistent with nor affected by either incontestable statutes or clauses. The former must be given full force and effect according to its terms, although the contestable period has expired.

The correct interpretation of incontestable statutes or clauses, Mr. Smith said, is that they prohibit only defenses, the effect of which is to render a policy void from its inception, and that such statutes or clauses do not prohibit defense based upon policy provisions, which do not defeat the policy, but simply limit coverage, including limitations on amount of coverage.

Efforts under age adjustment clauses to defeat all liability because the correct age of insured is above the fixed age limit of insurability, are prohibited because they constitute "contests" of the validity of the policy.

Point Often Ruled On

He said the question of what constitutes a "contest" has been frequently presented and decided in cases involving the suicide clause, that is, a provision covering death from suicide within a fixed period. This question occurs only when the incontestable period is shorter than the suicide period and death occurs in the interim. Since substantially the same principle applicable to age adjustment clauses is involved in suicide cases, the suicide cases usually are cited, Mr. Smith said, in cases involving the age adjustment clause. The suicide cases are more numerous and have been decided in many more jurisdictions.

## PRESTIGE -- COOPERATION -- CONTRACTS



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## EDITORIAL COMMENT

### Up to the Investment Bankers

THE SUCCESS of a group of three of the largest life companies in bidding against the strongest possible Wall Street opposition for the entire issue of \$90,000,000 of American Telephone & Telegraph bonds brings to a head a situation that has been developing ever since life companies began some years ago to take entire bond issues direct from the borrower rather than through the investment banker, the traditional middleman. As indicated by President Lewis W. Douglas of Mutual Life, which with Metropolitan Life and New York constituted the successful bidders, even the companies which buy securities at private sales are not necessarily in favor of all the plan's implications.

Development of the condition is not any change in attitude on the part of life companies but the fact that there is a scarcity of top grade bonds. It is as if the life companies could only sell a limited amount of life insurance a year. The value of the agent's services in drumming up business would be greatly reduced, particularly if the shortage became so acute that applicants were falling over themselves to buy. The investment banker today finds that good securities sell themselves and there isn't the spread for salesmanship that there used to be. Nor is there the need of the underwriting house's guarantee.

While investment bankers are much perturbed about the situation it would logically seem that the next move is up to them. Life companies, even those which are the beneficiaries of the competitive bidding or the private placement

plan would be extremely sorry to see the investment banker put out of business or the value of his services seriously curtailed, for not all investments are bought in huge chunks. Then there is the public relations angle. Even though life insurance represents the savings of many small policyholders it is not well for it to be thought by the public to be grabbing off all the good securities in sight.

Neither of these situations, however, is anywhere near as immediate as the plight of the investment bankers, viewed from their own standpoint. One solution that has been suggested is to have bonds brought out through underwriting houses in the traditional way but to have a sliding scale of prices according to quantity purchased. This would permit only a small profit on very large sales but it might be enough, coupled with the other considerations involved, to keep the life companies from buying direct.

The system has not been tried although a two-price plan was attempted recently in connection with \$18,000,000 of Erie Railroad Ohio Division 3¼ percent bonds which were bought by an underwriting syndicate and then offered for sale at 102½ in amounts up to \$499,000 and 101¾ for blocks of \$500,000 or more.

While the situation is not the life companies' making they would undoubtedly be interested in a workable solution which did not necessitate their sacrificing a measurable amount of yields which are already pared to a minimum.

### Companies Developing Their Own Men

MORE and more life companies are developing their own men and preparing them to fill any vacancy that might occur. Some companies do not go outside their own ranks at all. They have what baseball clubs call their "schools." There are offices run by men who not only maintain a favorable production record but have the capacity for training and building men for supervisory and other managerial positions. In fact, some of their products eventually are called to posts at the home office.

This policy has a most inspiring and wholesome effect. It gives the men down the line the ambition to qualify for higher posts. It enables a company to put its hand at any minute on its own capable men who have been drilled

in its methods and who are acquainted with its policy and officials. No time is lost in becoming acquainted. A man steps from one room of the house into another.

This policy is drawing superior talent to those companies that follow it. Men of real ability realize they have a chance to grow and be recognized. Naturally it means a very highly selective process at the source. Such a company measures the worth and qualifications of every general agent or manager, every assistant manager, supervisor, unit manager.

Witness for example the problem confronting the Penn Mutual when Vice-president A. E. Patterson went to the Mutual Life. It left a big hole, and

yet that hole was soon filled and in the process four Penn Mutual men advanced. The Pittsburgh manager went to the home office to take the agency vice-presidency, the Grand Rapids manager moved up to Pittsburgh, the Wichita manager took charge at Grand Rap-

ids, an agent from Little Rock who had been in the general agents' training school at the home office was placed in command at Wichita—a very pretty demonstration of the value of developing one's own talent, thus avoiding confusion when a vacancy occurs.

### Vital Minutes of the Interview

At agency conventions much stress is always laid on the approach. Sales experts declare that the first half minute is the most vital part of an interview because the impression is made and the agent has been sized up. However, one sales expert declares that it is

the last 10 percent of effort that puts the sale over. Perhaps that is true. The clinching of the sale, the riveting of it so that it will be held down, are highly important. Certainly the first minute and the last part of the sales effort are most important.

## PERSONAL SIDE OF THE BUSINESS

Ogden Brown of St. Louis, former editor and publisher of the "Western Insurance Review," which was merged with the "Insurance News Graphic" of Dallas, has retired from the latter organization. He and Don Coates were co-publishers. Mr. Brown comes from an insurance journal family as his father, the late Garrett Brown, was publisher of the "Insurance Report" of Denver.

Charles J. Zimmerman, Chicago general agent, is celebrating his 15th anniversary with the Connecticut Mutual Life. Mr. Zimmerman entered the agency field in 1926 with the Fraser agency in New York City. He was made general agent at Newark in 1931, and was transferred to Chicago in 1937. Before becoming an agent Mr. Zimmerman was executive secretary of the New York City Life Underwriters Association. He is the youngest man ever elected president of the National Association of Life Underwriters.

Byron D. Williams, superintendent of the group department of the Walter G. Gastil agency of Connecticut General Life in Los Angeles, who was very seriously injured in an automobile accident at Wolf Point, Mont., in August, while on his way to the company's agency convention at Green Lake, Wis., and has been in a hospital there ever since, was taken to his home in Los Angeles this week, having recovered sufficiently to make the trip. His injuries included fractures of several ribs, of the left shoulder, the puncturing of a lung and lacerations on the head. Mrs. Williams was killed in the accident. His car skidded, went off the road and turned over when it hit a newly oiled piece of road.

Miss Edna Newton, treasurer and associate secretary of the Canadian Life Insurance Officers Association, has been married to Alex Smith, a Hudson's Bay Factor. She will continue her insurance duties.

Bob Cates of the Oklahoma City Great Southern agency is confined to the Temple University Hospital, Philadelphia, recovering from a severe bruise on his leg which he received six months ago while bowling in Ft. Worth. Bob qualified as a member of the Great Southern President's Club for the an-

nual meeting in Houston this week, but was unable to be present.

Incidentally, the Oklahoma agency, under the supervision of Thos. R. Wilson, state manager, qualified the largest number of agents for membership in the President's Club.

H. J. Cummings, vice-president Minnesota Mutual Life, will address the Northwest Sales Conference in Minneapolis Oct. 10.

Asa V. Call, executive vice-president of Pacific Mutual Life, has been elected a director of the California state chamber of commerce.

Advertising technique of insurance companies was explained to members of the Advertising Club of St. Paul by Elmer Oistad, St. Paul manager of Guardian Life.

About 100 friends of James B. Scott of Peoria, Ill., honored him at a dinner there on his completion of 25 years of service with Prudential. Guests included the entire personnel of the Peoria office, as well as the Pekin branch. Alfred Wiedman, assistant secretary and Orville E. Beal, division manager, represented the home office.

A. C. Larson, veteran Madison, Wis., life man, formerly general agent of Central Life of Iowa, with which he has been connected more than 40 years, celebrated his 66th birthday Oct. 1 by bagging his own birthday dinner. An enthusiastic hunter, Mr. Larson was in a duck blind when the season opened at 5:57 a. m. on that date, to shoot his limit of ducks for the anniversary party.

Ralph Shier, veteran agent of Canada Life in Cleveland, is retiring on a pension. Mr. Shier has been associated with the north Ohio branch since 1907. He has been a member of the company's production clubs and the Millionaires Club, made up of those having over \$1,000,000 business in force.

R. L. Thomson, who is associated with his father, A. R. Thomson, in the Thomson life agency in Detroit, has been selected as executive secretary of the Detroit Rotary Club succeeding the late E. S. Haskell, who served in that capacity for more than a quarter century.

Karl Gumm, assistant superintendent of agents of National Life, is complet-



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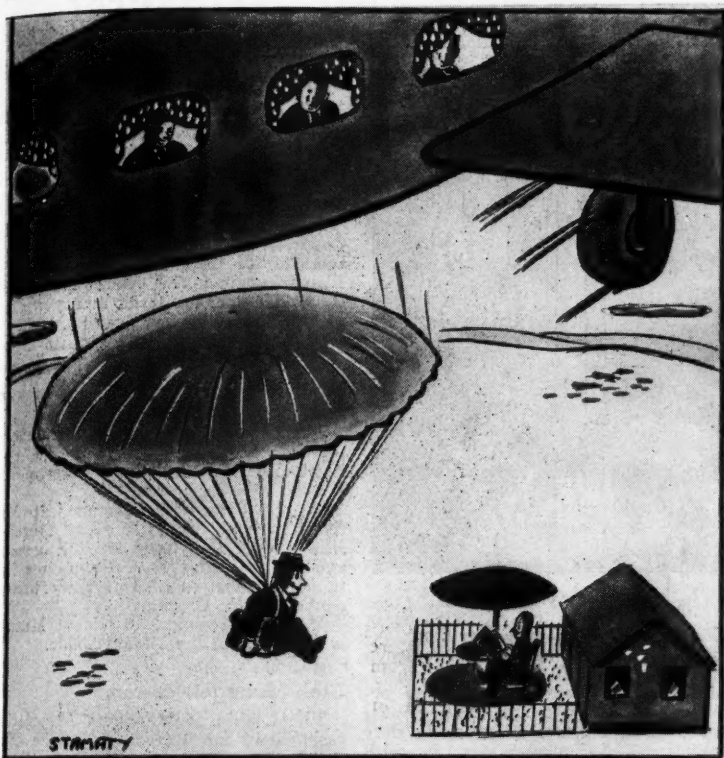
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"Gehring just can't pass up a prospect!"

ing his vacation this week, visiting relatives in Chicago. The first part of his vacation he spent in South Dakota near Watertown, on a successful pheasant hunting expedition. He will address a meeting of the life underwriters association of Bloomington, Ill., later this month.

the business, he still kept the chief agency post after being elected executive vice-president, and the post was vacant for many months after he became ill. It has been filled only recently.

### Young Seattle Executive Meets Tragic Death



JOHN W. CADIGAN

John W. Cadigan, 40, vice-president and superintendent of agencies of New World Life, died in a Seattle hospital where he underwent an emergency operation after having shot himself accidentally the day before at his summer home on Vashon Island. He was cleaning a .25-calibre automatic pistol when the weapon, which was loaded, discharged, wounding Mr. Cadigan in the abdomen.

He was rushed to the Providence Hospital in Seattle where he underwent an emergency operation and received several blood transfusions. Complications then developed. Pneumonia set in and was later brought under control, but the shock placed too great a strain on his heart.

Although a comparatively young

## DEATHS

Arthur J. Chase, 65, special agent of Connecticut Mutual Life for 22 years, died in Toledo after a month's illness.

H. P. Mead, Marshalltown, Ia., general agent of Mutual Trust Life, died there.

Burt A. Donnally, formerly executive vice-president of Southland Life, died in his office at San Angelo while talking to his daughter on long distance telephone to Dallas. He apparently had been feeling as well as usual and had gone to the Southland Life offices in San Angelo. He had been in San Angelo for more than a year, hoping that the climate would benefit his health.

He is survived by Mrs. Donnally and two daughters, Mrs. Clarence E. Brown and Mrs. Jack Canafax of Dallas, and two sons, J. B. Donnally of Fort Wayne, Ind., and Chester Donnally of Houston.

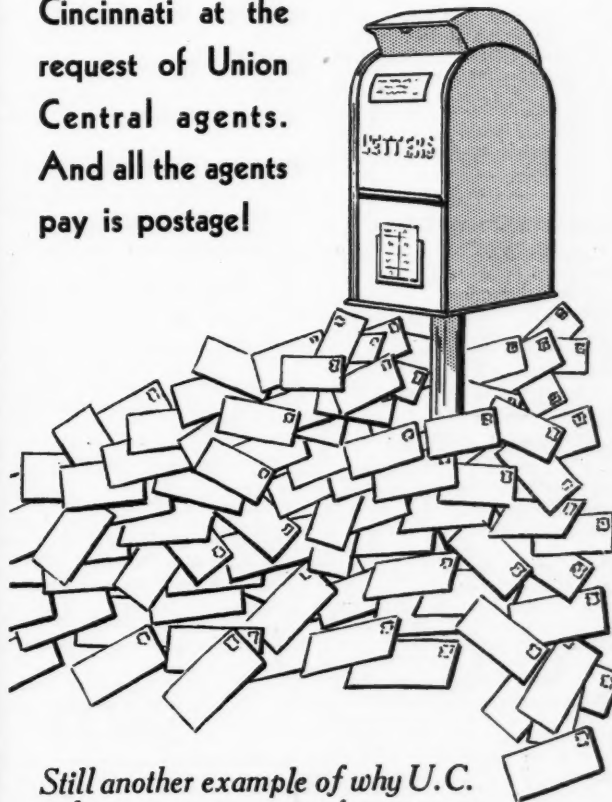
Mr. Donnally was born July 4, 1884, at Monroe City, Mo. He began his career in the insurance business about 21 years ago as an agent, later becoming district manager, then state manager. He assisted in the organization of and was secretary-treasurer as well as a director of the Trinity Bond Investment Corporation in 1929. Upon organization of Trinity Life he was secretary and agency director from 1932 to 1935, when he became executive vice-president of Gulf States Life upon the merger of that company with Trinity Life. Mr. Donnally became executive vice-president of the new Southland Life in connection with the merger effected with Gulf States Life. He was considered an able agency executive and knew a large number of the life insurance agents of Texas.

Mr. Donnally is believed to have overworked himself handling the affairs connected with the merger of Gulf States Life and Southland Life. Always particularly devoted to the agency end of

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man, he was a nationally-known life insurance executive, having traveled extensively both in the interests of his company and on behalf of various insurance organizations. He received his education at the University of Washington and Carnegie Institute of Technology.

Upon completion of his education, he entered the life insurance business with New World Life, of which his father, John J. Cadigan, is president. He was later advanced to superintendent of agencies and vice-president and made a director of the company. He was a frequent visitor throughout the states where New World Life operates and

enjoyed a wide acquaintance in the life insurance fraternity. One of his most active interests was the Sales Research Bureau, of which he was a director. He participated actively in the bureau's meetings and attended gatherings in all parts of the country. He followed its studies closely.

Surviving are his widow and a young son and daughter, his father and four brothers. Funeral services were held at St. Joseph's Church. Among the pallbearers were officials of New World Life and a number of prominent civic leaders. Insurance Commissioner Sullivan of Washington was an honorary pallbearer.

## NEWS OF THE COMPANIES

### Aetna Life Features Exhibit at Exposition

One of the attractions at the Eastern States Exposition held in Springfield, Mass., was the "Story of Connecticut" presented by the Aetna Life affiliated companies.

Aetna showed by means of color slides projected in groups of eight on a huge semi-circular screen, the vital part which insurance plays in the American economic system.

The story of insurance money at work was interwoven into the broader story of the state, which contained 1,500 scenes photographed in color depicting the resources, history, and visitors' attractions of the state.

Shown to the accompaniment of commentary and musical background, the pictures illustrated the manner in which Connecticut's 48 insurance companies have contributed vitally to the progress of Connecticut as well as of the nation.

### Another Mutualization Hurdle

Nathan Koplin, assistant law director of Akron, O., has filed a suit in common pleas court in his city to restrain Ohio National Life from effecting its mutualization program. He seeks to prevent Ohio National from paying stockholders \$40 per share, saying that the actual market value during 1940 ranged from \$24 to \$28 a share.

### Home Guardian Opens Office

Home Guardian Life of Sioux Falls, S. D., that was incorporated in July, has now opened its offices in the National Bank of South Dakota building in Sioux Falls. R. L. McCoy is president; Roswell Bottum, vice-president; Roy S. Rollinger, secretary and Dr. M. O. Lanam, medical director.

### Reinsures Personal Accident

Country Life of Chicago has reinsured the personal accident business of Illinois Agricultural Mutual, effective Oct. 1. Country Life will issue death, dismemberment and medical expense reimbursement policies with or without weekly indemnity for loss of time.

Country Life and Illinois Agricultural Mutual are affiliated, both being subsidiaries of the Illinois Agricultural Association. Country Life, a stock company, writes public business while its casualty affiliate restricts coverage to members of the association. The accident business taken over by Country Life will continue to be written on association members only, at least until the rate has been altered to fit public writing.

### E. E. Reid's Son Succeeds Him

Following the recent death of Edward E. Reid, managing director and vice-president of the London Life, London, Ont., his son, Robert H. Reid, becomes managing director. Archibald McPherson has been elected vice-president.

The new vice-president is president of the Ontario Loan & Debenture Com-

pany and for 15 years has been a member of the board of London Life.

Mr. Reid has had extensive experience in the investment and finance fields in Toronto and London. He has been executive assistant of the company and for four years on the executive committee of the directors. He is president of the London Elementary Flying Training School.

### Lincoln National in Nevada

Lincoln National Life has been licensed in Nevada. The company now operates in 41 states in addition to the District of Columbia, Canal Zone, Puerto Rico, and the Hawaiian and Philippine Islands.

### Montreal Life Advances Moore

Cecil L. Moore, manager of the policy department of Montreal Life for 13 years, has been appointed assistant secretary, making him fourth officer of the company in seniority. Mr. Moore started in insurance in 1909 with the Bristol branch of Phoenix Assurance, going to Canada in 1913 with the Gresham Life. Later he went with the Royal and in 1928 entered the home office of Montreal Life as manager of the policy department.

### Dunning Policyholders Director

The election of Charles A. Dunning as policyholders director of Sun Life of Canada is announced. Mr. Dunning succeeds the late Arthur B. Purvis, killed in an airplane accident recently in the United Kingdom. He is the former minister of finance in the Canadian government, having been forced to resign from that position owing to ill health. On the board of Sun Life are three directors who are not stockholders, but are representatives of the policyholders exclusively.

C. I. Barnard, president of the New Jersey Bell Telephone Company, who has now become assistant to Secretary of the Treasury Morgenthau, has resigned as a director of American of Newark and Prudential.

E. L. Hensel has resigned as counsel of the Farm Bureau companies and will resume the practice of law in Columbus, O. He had been with the group since 1925.

## STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 So. La Salle street, Chicago, gives the following stock quotations of life companies as of Oct. 6, 1941:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	29	31
Conn. Genl.	10	.80	26½	28½
Contl. Assur.	10	2.00	36½	38½
Life & Cas.	3	.50	9	10½
Lincoln Natl.	10	1.40*	28	30
New World Life	10	.30	3½	4½
N. W. Natl. Life	7.50	.30	9	10½
Ohio Natl. Life	10	1.25	29	31
Old Line Life	10	.60	10	11½
Travelers	100	16.00	405	415
Wis. National	10	1.00	16	18

\*Includes extras.

## New Company Head



ALLEN MAY

Friends of Allen May are much interested in the fact that he has returned to active participation in the business. He is the president of the newly organized Mutual Savings Life of St. Louis, which starts out by taking over the business of Central States Life, with lien. Mr. May is especially well known in the business. He served for many years as general counsel of the old Missouri State Life and then was general solicitor for General American Life. Lately he has been doing some special work for the Life Presidents Association. He was born at Middletown, Mo., in 1893 and received his law degree from St. Joseph Law School. He served at one time as chairman of the Legal Section of the American Life Convention.

The management of Mutual Savings Life intends to devote itself almost entirely to administration of the assets. That means principally the handling of real estate problems, as Central States Life was burdened with real estate. The management will tackle the real estate problem in the hope of improving the lien situation in the course of time, although little hope is held out that the lien can be reduced in the predictable future. Mutual Savings Life inherited no agency force at all from Central States Life and it does not intend to seek new business for some time to come.

### WANT NEW COMPANY IN ARK.

LITTLE ROCK—A report recommending approval of the reinsurance by Mutual Savings Life of St. Louis of policy obligations of the old Home Life of Little Rock, provided that the proposed contract be amended to require the new company to take immediate steps to obtain a license in Arkansas, was filed in circuit court here by the policyholders protective committee of the Home Life. Allen May, president of the company, testified at a hearing before Judge Auten in circuit court that present plans of the company do not call for operation in Arkansas.

About \$6,000,000 of Home Life business reinsured by Central States and \$3,000,000 written by the latter company in Arkansas are affected.

### Renews Inter-Agency Contest

Pacific Mutual Life will inaugurate its 1941 inter-agency contest Oct. 13. This is the 20th year the company has held these contests.

This year the slogan will be "Life Insurance, Protector of the American Way," with these two sub-slogans: "Stretch the Spread of the Eagle's Wings" and "Cover the Community with Life Insurance."

The prizes, in keeping with the times, will be defense savings stamps and bonds.

## MANAGERS

### Building Morale Buffalo Topic

John Pennington, general agent State Mutual Life, led a discussion on "Building Morale in Our Agencies" at the first fall meeting of the Buffalo Life Managers Association. Tower C. Snow, newly elected president, presided.

A guest of honor was Emerson E. Cooper, assistant superintendent of agencies of Equitable Life of Iowa. Two new members were introduced: R. B. Hamor, assistant manager Connecticut General Life, and A. L. J. Paine, newly appointed general agent of Equitable of Iowa.

### Baltimore Meeting Oct. 16

The quarterly meeting of the General Agents & Managers Round Table of Baltimore will be a dinner session Oct. 16.

W. K. Magruder, Connecticut Mutual Life, will discuss "Agents' Morale," which was the topic at the general agents and managers section of the National Association of Life Underwriters convention in Cincinnati.

J. Henry Hooper, Provident Mutual, is president of the Round Table.

### Utah Managers Resume

The Utah Life Managers Association resumed its meetings in Salt Lake City. Speakers were Hazen Exeter, Pacific Mutual Life, and H. J. Syphus, Beneficial Life. Both had taken the agency management course at Sun Valley, Ida, conducted by the Sales Research Bureau.

### N. J. Managers to Elect

The Life Insurance Managers & General Agents Association of Northern New Jersey will hold a dinner-meeting this month in Newark, N. J., when officers will be elected.

The Life Supervisors Association of Northern New Jersey will hold a dinner meeting in Newark, Oct. 23.

### Lackey Is Pittsburgh Speaker

George E. Lackey, general agent Massachusetts Mutual, Detroit, spoke on "Management Plans for the Home Stretch of 1941" at the first fall meeting of the agencies committee of Pittsburgh.

### Mutual Benefit Cashiers School

Nine agency cashiers from as many states attended a school for cashiers conducted by the Mutual Benefit Life at its home office in Newark.

Efficient coordination of the cashier's duties with home office procedures were studied and discussed in a series of conferences with company officials in charge of the various departments concerned.

A. F. White, cashier of Phoenix Mutual Life, was honored at a dinner of the San Francisco Life Agency Cashiers Association on the eve of his departure for Los Angeles to assume duties there. Mr. White is one of the organizers and former president of the association.

### Doubles Stork Awards

For some years Henry Solomon of the north Ohio branch of Canada Life has been rewarding tenants of his Cleveland apartment houses when the stork pays a call. A \$5 gold piece is the payment for the first baby, second babies call for \$10, the third offspring \$15 and so on. In true spirit of patriotism, Mr. Solomon is now doubling the prize for sons born.

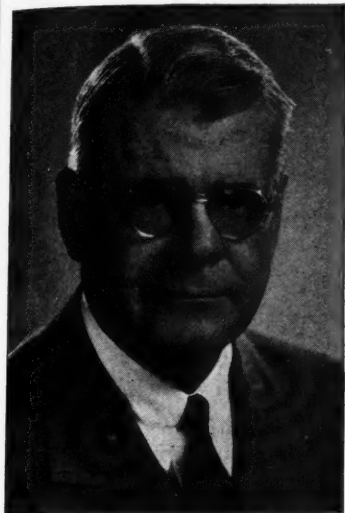
William J. Sieger, vice-president and superintendent of agencies of the Bankers National Life, Montclair, N. J., has been elected vice-president and a director in the Chamber of Commerce of Greater Montclair for a three year term.



## LIFE AGENCY CHANGES

### W. K. Murphy Takes Mage as Partner

W. K. Murphy, general agent of Northwestern Mutual Life in Los Angeles, has formed a partnership with John R. Mage under the name of Murphy & Mage to operate the general agency, effective Dec. 1. Mr. Mage is



W. K. MURPHY

one of the company's leading producers and has been associated with the Murphy agency since starting in life underwriting less than a year after graduating from the University of California in 1921.

#### Won Honor in First Year

During the first full agent's year ended June 1, 1923, Mr. Mage produced about \$265,000 and won a bronze button under the company's honor system.



JOHN R. MAGE

He topped the silver button class in 1924 with \$554,000, and the gold button group in 1925 with \$622,667, reaching the million dollar class in his fifth year. In 1930 he was winner in Class "A" for the largest volume with \$1,037,000, and in 1938 he was second with over \$1,000,000. His total production to date has been more than \$12,000,000, averaging in excess of \$660,000 a year including a major depression. He is a qualifying and life member of the Million Dollar Round Table.

Mr. Mage has been active in Northwestern Mutual agents' organizations and association affairs. He is now a member of the Association of Agents

standing committee in charge of next year's annual meeting.

Mr. Murphy has been sole general agent Northwestern Mutual in Los Angeles for 25 years. He went to the west coast from Milwaukee in 1916, after serving as special and district agent for his father, the late D. E. Murphy, who was with the company from 1879 until his death in 1906. For 24 years the elder Murphy was general agent for Wisconsin and northern Michigan.

### Cato to Portland for Manufacturers

Gilbert G. Cato of Detroit has been appointed branch manager at Portland, Ore., by Manufacturers Life. He has been for 18 years a highly successful representative of the company in Detroit. He qualified 17 times for membership in the company's production clubs and established a notable reputation for consistent production. For 93 consecutive months he has earned a place on the company's personal honor roll. In 1940 he was among the top 15 in volume of paid business.

He has been especially successful in developing his policyholder clientele into a constant source of new business and new prospects. Of the 99 cases he sold last year, all but one were on the lives of policyholders or prospects secured through policyholders. This year all but two of his first 54 cases came from policyholder sources.

The Portland branch was established in 1925 when Manufacturers first expanded its United States operations to the west coast, opening offices simultaneously in Portland and Seattle. It now operates in nine states and the United States organization produces almost 30 percent of its new business annually. Of the \$604,000,000 which it had in force at the end of last year, \$126,500,000 was in the United States.

### Sun Life Makes Important Changes

Sun Life of Canada announces the appointment of new managers at Kansas City and Cleveland, the transfer of the Atlanta manager to group work and the resignation of the Greensboro manager.

J. V. LeLaurin, who has been manager at Kansas City, becomes manager at Cleveland, succeeding D. M. Cowan.

A. M. Weaver, who has been district group manager at Chicago, is the new Kansas City manager.

H. M. Hagen, who for the past three years has been manager in Atlanta, is being transferred to the group department at Chicago. He is reentering a field in which he achieved success first as a representative in Cleveland, and later in Atlanta where he was a district group manager.

W. G. Laughon has decided to relinquish his position as manager at Greensboro, N. C., and resume personal production. He had been manager since 1927 and previously was a leading personal producer.

Mr. LeLaurin has been a field executive of Sun Life for more than nine years. He went with the company as an agent in Little Rock in 1930 and two years later was made manager there. In 1935 he was appointed district manager of the southern counties territory in the Los Angeles branch and in February of

last year he was advanced to branch manager at Kansas City.

Mr. Weaver went with Sun Life in 1928 as group representative in Cleveland. In 1931 he was appointed district group manager in Cincinnati and a year later was assigned to the same position at Philadelphia. In 1935 he entered the ordinary department as agency assistant at Canton, O., but in 1938 he returned to the group department to take charge of the Chicago office.

### Hakenson, Veteran Utah Manager, Is Retiring

A. H. Hakenson, veteran manager at Salt Lake City of California-Western States Life, has asked to be relieved of his duties effective Nov. 1 in order to devote more time to his personal affairs.

Mr. Hakenson has an outstanding record as a personal producer, general agent, and superintendent of agents of Inter-Mountain Life, and since consolidation of Inter-Mountain and California-Western States in 1928, he has been manager of the Salt Lake agency. He has had charge of all of the Utah territory and a large part of Idaho, Wyoming, and Nevada.

He will continue as acting manager until relieved by a successor, and plans to continue in personal production in Salt Lake and vicinity.

### Guardian Life Changes in Detroit, Rochester, D. of C.

Glen M. Reem, who has been manager at Detroit for Guardian Life since 1936, has now been transferred to Rochester, N. Y., in the same capacity.

### Elliott Goes with Rensch Agency of National Life

Charles A. Elliott has joined the Fred T. Rensch agency of National Life of Vermont in St. Louis as manager of brokerage and surplus line business as well as adviser in medical underwriting, tax and business insurance.



C. A. Elliott

Mr. Elliott has been with John Hancock Mutual Life for 11 years, lately as sales and brokerage manager, working up from clerk, cashier and office manager. He received the C. L. U. degree in 1937 and was one of the youngest to get the designation at that time. He is now president of the St. Louis C. L. U. chapter and instructor in the C. L. U. study classes.

Mr. Reem has been one of the most prominent managers in Detroit and has been very active in life underwriter association affairs there. He received his C.L.U. designation at the Cincinnati meeting of the National Association of Life Underwriters.

R. W. Griswold, who was manager for Guardian Life at Washington, D. C., has now been assigned to active duty as lieutenant, senior grade, United States Naval Reserve. As a consequence he resigned his Guardian connection. He

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IN 1845

THE MUTUAL BENEFIT PRESENTS

Our Newest C. L. U.'s

At the Annual Conferment by the American College of Life Underwriters, the C. L. U. designation was awarded to

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New York, N. Y.

HARVEY G. KEMP  
Oklahoma City, Okla.

WILLIAM E. HUGHES  
Springfield, Mass.

CLARENCE OSHIN  
New York, N. Y.

W. THOMAS THACH  
Oklahoma City, Okla.

Seventy-three members of our organization have now passed all five examinations, and sixty-nine have received their C. L. U. designation. We are proud of our C. L. U.'s.

The Mutual Benefit  
LIFE INSURANCE COMPANY

NEWARK, N. J.

went with Guardian Life in 1927 as agency assistant and later became assistant superintendent of agencies. In 1935 he relinquished his home office duties to become manager at Washington.

Successors have not been appointed in Detroit or Washington and the agencies are being operated by home office representatives.

### S. A. Kent Heads Prudential Des Moines Agency;

### J. W. Lawrence to Salt Lake

Sidney A. Kent, manager of the Prudential ordinary agency at Salt Lake City, will succeed James Platt as manager of the Des Moines ordinary agency



SIDNEY A. KENT

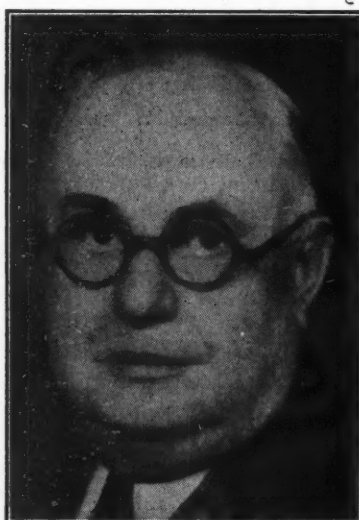
Nov. 1. John W. Lawrence, assistant manager at Kansas City, Mo., ordinary agency, will succeed Mr. Kent.

Mr. Kent has been located at Salt Lake for the past several years. Prior to that he was in Chicago as assistant general agent in the Van Goldman office of Prudential.

### M. R. Sibul at Cincinnati

M. R. Sibul has been appointed general agent of the Kentucky Home Mu-

### Former Company Head Takes General Agency Post



A. L. NOE

A. L. Noe, former president of Lincoln Income Life of Louisville, has now joined Franklin Life as general agent for Kentucky and Tennessee. He is establishing a new agency. The arrangements were perfected by Vice-president A. V. Mzingo of Franklin Life whose headquarters are in Atlanta. Associated with Mr. Noe will be Frank Hand, associate general agent.

At the annual meeting of Lincoln Income Life last February, Mr. Noe, president, and his son-in-law, Marvin C. Al-

tual at Cincinnati. He is a son-in-law of President Ellsworth Regenstein. He and General Agent Ellsworth Regenstein, Jr., son of the president, will occupy joint offices at 323 Dixie Terminal building, Cincinnati. However, the two agencies will be conducted as separate organizations.

President Regenstein entered the life insurance business in Cincinnati as an agent 25 years ago. He built the largest general agency for the Inter-Southern Life. He had over \$10,000,000 of insurance in force.

### Haynes with Occidental

Ernest Haynes has been appointed assistant manager at Seattle for Occidental Life, according to Manager S. N. Randolph. He has had 12 years' life insurance experience with Mutual Life in Washington, D. C., and Seattle.

### Simpkins Takes Rockford Post

Dale Simpkins of the Milwaukee branch of New York Life has been appointed agency organizer at Rockford, Ill. He has been with New York Life 2½ years. Twice he has qualified for the \$100,000 Club.

### J. M. Mitchell Is Advanced

J. M. Mitchell has been named assistant general agent of Aetna Life in San

Francisco under F. Crook Whatley. He has been in charge of the brokerage department and previously for many years was assistant manager of Fidelity Mutual Life at San Francisco. The new head of the brokerage department is A. E. Flamer.

### Humphrey, Spears in New Posts

V. M. Humphrey, who has been manager at Daytona, Fla., of Gulf Life for the past five years, has now been appointed manager at Gainesville, Fla. He has been with Gulf Life 12 years in all, starting at Miami. The new manager at Daytona is H. L. Spears who has been with Gulf Life in the Orlando district 14 years.

### NEWS BRIEFS

Richard L. Sherwood has associated himself with the L. F. Larson agency of Northwestern Mutual Life in Portland, Ore. Before going to Portland 10 years ago he was for five years in life insurance work in San Francisco. He leaves Phoenix Mutual to make his new connection. He is past president of the Portland Life Managers Association and a C. L. U.

The John Hancock Mutual Life has appointed John D. Ledder, formerly assistant manager at New Brunswick, N. J., as district manager at Palisades, N. J.

## LIFE SALES MEETINGS

### Texas Prudential Agents Conclave

Texas Prudential held its agency convention in San Antonio for three days, with T. M. Edwards, San Antonio agency manager, as host. Each year a distinct type of dress has been featured for members of the \$100,000 Club. This year the "Texas Prudential Flying Squadron" members were presented aviation type caps and jackets, on the caps being the letters "T P" in red, above a U. S. shield in red and blue, and a wing of blue extending from either side of the shield. The jacket sleeves bore the same insignia. Home office men wore the same dress.

Subjects of speakers carried out the flying theme. Addresses, instead of being presented in oral form, were printed and bound, and a copy handed to each member of the Flying Squadron. President S. E. Kempner's welcome and the response by T. M. Edwards were the only exceptions. Mr. Kempner noted the good work of H. Gale Rogers, vice-president, in charge of agencies, which resulted in \$2,300,000 gain of ordinary in force and \$700,000 in industrial. He presented a ring to Mr. Edwards for his agency's record of the best lapse ratio. A spur tie-clasp was presented to R. G. Lawrence, Oklahoma City special agent, for writing \$1,000,000 in his first year and qualifying as the youngest member of the Million Dollar Round Table.

L. R. Johnson, Corpus Christi, Tex., manager, spoke on "On the Beam." "Hanging Around the Hangar (Planning Your Work)" was presented by H. C. Fowler. "Dropping Leaflets (Ed-

ford, secretary-treasurer, resigned in order to reduce executive expense, and enable Mr. Noe to return to personal production. Mr. Noe continued as a director and large stockholder in the company which he formed as Income Life in 1929, and into which he later merged Dixie, Atlas, Republic and finally Lincoln Life & Accident of Oklahoma City.

P. K. Smith, who was chairman of the board, was elected president succeeding Mr. Noe. John T. Acree, Sr., continued as executive vice-president. John T. Acree, Jr., who was vice-president, was elected secretary-treasurer to succeed Mr. Alford.

ucational Insurance)" was treated by J. H. Goode, Oklahoma City. "Emergency Landings (When Drought or Flood Come)" was the subject of A. B. Hays, Vernon, Tex., manager.

"Pursuit Plans (High Renewal Ratio)" was the gauge proposed by C. R. Howard, Cleburne, Texas, district manager. "Dive Bombing (Cold Canvassing)" was presented by R. R. Cheatham, Fort Worth, Tex., supervisor. "Dog Fighting (Meeting Competition)" was discussed by P. E. Jones, Joplin, Mo., manager. "Flying by Instruments (Income at 65)" was discussed by J. Yates, Lubbock, Tex., manager. A. A. Gharrett discussed "Use of Gliders (Salary Savings)." Martin W. Moses, Austin, Tex., manager, "Formation Flying (Using a Standard Sales Talk)," A. J. Spahr, Tulsa manager, "Tail Spins (Chasing Rainbows)," Noel C. Hayes, San Angelo, Tex., manager, "Parachute Jumping (Opening a New Office)," Joe Thompson, Waco, Tex., manager, "Incendiary Bombs (Use of Bird Dogs)," R. G. Lawrence, Oklahoma City, "Mass Production of Planes (Selling a Million)."

### Great Southern Leaders Gather

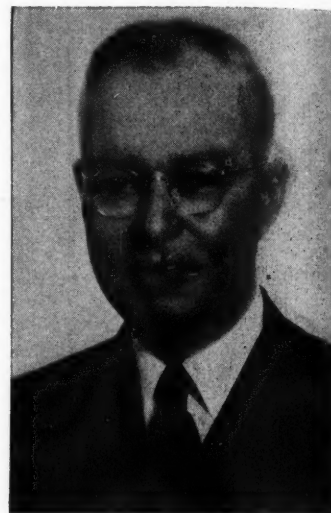
The annual meeting of the Great Southern Club of Great Southern Life was held at Houston with 94 qualifying agents in attendance. The members may earn club trips for their wives by adding 50 percent to their required volume and this year 52 wives were present, the largest delegation ever to attend a club meeting. In spite of the strict production requirements and stringent renewal demands, one out of every four under contract qualified this year.

High point of the convention was the banquet presided over by President E. P. Greenwood. He inducted new members into the President's Club, honorary renewal organization, and this year the majority of those present attained the honor. Mr. Greenwood introduced D. L. Myrick of Lake Charles, La., who is head of the President's Club, having led the entire company last year. The vice-presidency is earned by the qualified member who maintains the highest renewal of second year business. Two men tied for this honor, both of them finishing 100 percent, E. A. Witter, San Angelo, Tex., and J. O. Scott, Sour

Lake, Tex. President Greenwood presented gifts of silver to the officers and rewarded each qualifying member of the President's Club with a \$25 defense savings bond. Also honored was Tom B. Reed, Oklahoma City, who was elected trustee of the N.A.L.U. at the recent Cincinnati meeting.

### Members Conduct Sessions

All business sessions were conducted by club members themselves, with Ford D. Albritton, vice-president and manager of agencies, presiding. The program dealt with present day problems and was designed to give the underwriters themselves the opportunity to



E. P. GREENWOOD

demonstrate their method of meeting them. One group tackled prospecting; another, interviewing; and a third, salary savings. A panel of home office department heads was bombarded by salesmen with unrehearsed questions and the exchange was beneficial to both sides.

Four home office officials presented papers dealing with the company. President Greenwood reviewed progress during the year, and touched upon the probable effect on life insurance of the nation's economic program. L. S. Adams, executive vice-president, treated management and investment problems, calling attention to the company's favorable interest earnings. Dr. J. E. Daniel, medical director, recounted some of the odd selection cases which the company had been asked to consider. J. C. Cameron, vice-president and actuary, discussed the company's experience with participating life insurance, emphasizing the fact that the Great Southern has continuously apportioned the full participating dividends anticipated.

Entertainment features for the wives included a tea at the home of Mrs. William Sexton, daughter of President Greenwood, and a trip to the San Jacinto battlefield. One of the evenings was devoted to an informal dinner party, night club style, enlivened by a variety floorshow.

On the final day a brief tour of Houston was concluded with a luncheon, after which the entire party witnessed the Rice-Tulane football game. An informal dinner dance closed the affair.

### Lynn Featured Speaker at Security Mutual Meet

Fifty agents of the Security Mutual Life of Nebraska attended its agency convention in Lincoln. Arthur D. Lynn, Kansas City general agent of Massachusetts Mutual Life, outlined some of the plans used by leading producers, but emphasized that the best assurance of success lay in diligent application to the task. "Over our own genius," he said, "we have no control; that is a matter of inheritance. Over industry and character we can have some control. It is these characteristics which every individual can develop and the extent of the development depends upon his own de-



sires. In the race of life, industry is a better horse to ride than genius."

In reporting on the activities of the past year, President Byron Stephenson said adherence to past management policies had enabled the company to strengthen its position in all departments. He said that insurance as a whole is so soundly based that in the event of a war collapse, which is unbelievable, the institution of insurance would be the last to disappear.

#### Hyde Reviews 46 Years

Vice-president M. A. Hyde, in reviewing the company's 46 years, said panic and depression, inflation and deflation have never persuaded the management to deviate from its chosen course. The company has sought to build on a foundation of good values to policyholders and "strives always to live up to the high principles of trusteeship which is truly the foundation of a mutual old line life insurance company," he added.

Agents were in charge of other sessions of the convention, J. W. Maloney of Omaha and T. S. Rogers of Oklahoma, officers of the Leaders Club, presiding. Round table discussions covered a variety of subjects connected with sales and promotion work.

#### Des Moines Agency Rally

The annual meeting of the Des Moines agency of Mutual Life will be held Saturday. Thomas B. Read is manager. The morning session will be devoted to a round table discussion. At the luncheon, J. L. Dalton of the F. B. I. will speak on "National Defense and the F. B. I." The speakers in the afternoon session will be Adrian Fisch, district manager at Fairmont, Minn., Walter J. Walker, district manager at Mason City, and Prof. Karl Kettering of Central College, Pella.

An informal dinner will be held at which time G. A. Sattlem, superintendent of agencies, will address the group on "Our Agency and Company."

#### Metropolitan Training Men Meet

KANSAS CITY—The annual conference of Metropolitan field training supervisors with field training instructors of the southwest was held for two weeks here. From the home office were Max Fisher, assistant secretary; R. C. Brown, divisional supervisor, and V. N. Barnes and G. E. Schlemmer, field training supervisors. Instructors attended from Arkansas, Kansas, Oklahoma, Iowa, Nebraska and Missouri.

Emphasis was on the estate planning, business insurance, and C.L.U. work of agents.

## CHICAGO

#### BANKERS LIFE SCHOOL

Since 1934 Bankers Life of Iowa has conducted each year an average of 10 district schools and six home office schools. Qualifications for the district schools are: A minimum of three months under contract; a minimum of \$15,000 paid for business on a minimum of eight lives; having completed the first 24 units of the company's training course plus daily reports and a minimum use of direct mail advertising. The average production is considerable over the \$15,000 minimum. Average production for the 15 agents in school in Chicago this week is about \$26,000.

Agents attending the district school are eligible to attend the home office school six months later upon paying for \$60,000 of business; completing 10 more units of the company's training; making daily reports and continuing use of direct mail.

In charge of both district schools and home office schools are Theodore H. Tomlinson, C. L. U., assistant superintendent of agencies; former million dollar producer and supervisor of Madison, Wis., agency, and Roy A. Frowick, sales training supervisor who showed a

special aptitude for teaching after fifteen years experience in both home office and field.

On the average of each four new recruits of the Bankers Life, two complete the work of the district school and one of these qualifies for the home office school six months later. Of all home office school graduates since 1934 more than half are still with the company as agents, supervisors, or managers.

Schools are also held for "old timers" and the majority of all agents of the Bankers Life have at least been through one or more schools lasting five days.

#### KLEIN AHEAD 34 PERCENT

The A. R. Klein agency of the Home Life of New York in Chicago completed the first nine months with a 34 percent increase.

#### SUPERVISORS HEAR COOLIDGE

R. B. Coolidge, superintendent of agencies Aetna Life, spoke to the Life Agency Supervisors Club of Chicago on "The Life Insurance Agent."

## NEW YORK

#### HONOR 50-YEAR VETERAN

George T. Looser, head of the policy changes division of New York Life, was honored at a dinner in New York on occasion of his 50th anniversary of service with the company. The hosts were members of his department, numbering about 75.

#### EQUITABLE TEAM TRIUMPHS

Equitable Society's baseball team defeated the Metropolitan Life team in a 10 inning game by a score of 2-1 to win the 1941 Commercial League baseball championship and retain permanent possession of the league's trophy. Equitable's team won 19 out of its 21 scheduled games and remained undefeated in seven army camp games.

#### KNIGHT AGENCY AHEAD

The Charles B. Knight agency of Union Central Life in New York City paid for \$1,357,890 in September as against \$1,209,447 in September 1940. For the first nine months the agency paid for \$14,583,964 as against \$12,134,026.

#### WOMEN TO HEAR DR. GILBRETH

The League of Life Insurance Women will have its opening meeting of the 1941 season at 4:15 p. m., Oct. 14, at the Women's National Republican Club, 3 West 51st street, New York City. The speaker will be Dr. Lillian M. Gilbreth of Newark College of Engineering, who is the only woman engineering professor in the country. Dr. Gilbreth is also well known as a consulting engineer on problems of efficiency. Her subject will be "Problems That Challenge Women Today."

Miss Beatrice Jones, first woman president of the New York City Life Underwriters Association, will be a guest of honor.

#### BUSINESS INSURANCE SESSION

Equitable Society's general agents and managers in the New York district will conduct a symposium on business insurance Oct. 10 at Hotel Pennsylvania. Speakers will include Vice-president W. J. Graham, Second Vice-president Vance L. Bushnell; Stuart A. Monroe of the legal department, Leon Gilbert Simon, associate general agent and authority on business insurance, and C. A. Luft, assistant secretary Empire Trust Company, New York. Mr. Luft will talk on the corporate trustee's contribution.

The Memphis Agency of John Hancock Mutual under Robert M. Gamble has moved its offices from the First National Bank building to the Commerce Title building arcade, 12 S. Main street.

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These two important positions available with well established Company.

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Lots of folks who've been cold to Life Insurance sales appeals are enthusiastic about Perfect Protection—the combined Life, Accident and Health contract. They want something more than "just an insurance policy." Perfect Protection gives them a balanced plan of protection against loss of gainfully employed time through accident or sickness. Perfect Protection policies are within the price range of every insurance buyer. This program, originated by Reliance in 1913, now is Streamlined to the problems of 1941. Write for new booklet giving further details of Streamlined Perfect Protection.



**RELIANCE LIFE**

INSURANCE COMPANY OF PITTSBURGH

Dept. 1110, Farmers Bank Building, Pittsburgh, Pa.

## NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### North American Increases Rates

Along with the general trend toward rate increase on non-participating business by many companies, North American of Chicago has adopted an increased rate schedule affecting all but the whole life guaranteed premium reduction and the seven year term policies. Some of the new rates are shown herewith:

#### PREMIUM RATES PER \$1,000

Age	Life	Ord.	End.	20	20	Ret.	Life
				Pay.	Year	Inc.	Ex-
							cept.
15	\$12.85	\$13.93	\$22.63	\$44.52	\$18.20	\$9.47	
20	14.26	15.46	24.40	44.65	20.96	10.28	
21	14.60	15.81	24.80	44.66	21.66	10.43	
22	14.94	16.18	25.21	44.68	22.40	10.60	
23	15.30	16.56	25.65	44.70	23.19	10.94	
24	15.67	16.97	26.10	44.72	24.03	11.12	
25	16.07	17.39	26.56	44.75	24.90	11.32	
26	16.52	17.88	27.06	44.82	25.83	11.72	
27	16.98	18.38	27.57	44.90	26.82	11.94	
28	17.48	18.91	28.09	44.98	27.86	12.18	
29	17.98	19.47	28.64	45.07	28.93	12.68	
30	18.54	20.06	29.21	45.17	30.08	12.95	
31	19.11	20.69	29.81	45.28	31.32	13.26	
32	19.71	21.38	30.44	45.41	32.63	13.57	
33	20.35	22.09	31.08	45.54	34.03	14.24	
34	21.03	22.84	31.77	45.70	35.52	14.63	
35	21.75	23.64	32.47	45.88	37.13	15.02	
36	22.54	24.44	33.24	46.16	38.84	15.83	
37	23.39	25.29	34.05	46.46	40.69	16.30	
38	24.29	26.19	34.89	46.79	42.68	16.79	
39	25.25	27.15	35.77	47.16	44.83	17.31	
40	26.25	28.16	36.69	47.55	47.15	18.36	
41	27.27	29.23	37.62	47.94	49.63	18.97	
42	28.35	30.37	38.58	48.37	52.34	19.62	
43	29.52	31.59	39.60	48.86	55.29	20.92	
44	30.75	32.91	40.68	49.39	58.54	21.69	
45	32.07	34.26	41.82	49.99	62.13	22.51	
46	33.37	35.62	42.98	50.65	66.10	23.34	
47	34.73	36.99	44.22	51.38	70.52	25.00	
48	36.21	38.45	45.54	52.20	75.47	25.98	
49	37.78	40.04	46.92	53.11	81.05	27.02	
50	39.46	41.72	48.41	54.11	87.36	28.13	
55	49.39	51.94	57.70	60.20	137.87	37.24	
60	62.98	66.14	69.15	70.46	.....	.....	
65	.....	87.04	86.36	.....	.....	.....	

### United Life of Kansas Issues "Program" Contract

"A practical life insurance program, all wrapped up in one policy" is the description of United Life of Kansas of its new policy form which is written from age 1 day to age 55 in minimum amounts of \$1,000. This policy is a 25 payment life, with option of using coupons to pay up or endow the contract according to several plans outlined in the policy. There is a death benefit of \$50 for children under six months, \$100 age 1 and \$100 for each year of age to \$1,000 at age 10. For an extra premium of \$1 per \$1,000, 50 percent additional benefit for all forms of accidental death and double indemnity for all deaths from travel accident is available. Life conservation benefits for major surgical operations, at an annual premium of \$1 for males and \$1.50 for females, provides \$50 annual benefit per \$1,000, but not in any case to exceed \$250 in any one year, regardless of the total amount of insurance. This coverage ceases at age 60.

Age	prem.	Amount of Coupon at Beginning of Policy Year	Amount of Coupon Indicated end 25 yrs.
10	100.00	8.60	11.30
15	110.00	9.90	13.05
20	127.00	11.40	15.00
25	148.50	13.50	17.80
30	184.00	16.55	21.80
35	243.50	21.00	27.65
40	291.00	24.00	31.55
45	.....	.....	.....
50	.....	.....	.....
55	.....	.....	.....

### Higher Premiums, New Forms for State Reserve

The new rate book of State Reserve Life includes premium increases on practically all forms as well as inclusion of the new preferred risk contracts recently announced. Another new policy is the life paid-up at age 60 which has

a premium of \$26.52 at age 35. Some of the revised premium rates at age 35 are as follows: Endowment age 85, \$21.59; 20 payment endowment age 85, \$30.44; 20 year endowment, \$43.88. The preferred risk whole life premium at age 35 is \$20.55 and the 20 payment life preferred risk, \$28.89.

### Great National Premiums Higher on Some Policies

Rate increase for some policies of Great National became effective Oct. 1. The increase covers a wide range of from 3 cents age 21 on the preferred risk ordinary life over \$2,500 to \$5.93 at age 60; endowment age 65, \$1.67 age 15; \$2.30 age 45. The new rates at sample ages follow:

Age	Life	Ord.	End.	20	20	Ret.	Life
				Pay.	Year	Inc.	Ex-
							cept.
15	\$25.00	\$25.00	\$25.00	\$25.00	\$10.00	\$10.00	
20	31.08	52.05	38.85	59.05	59.45	13.57	
25	38.93	61.48	50.43	70.98	69.82	17.41	
30	52.75	76.10	72.10	89.38	60.95	24.32	
45	77.28	99.10	119.65	119.65	64.02	38.23	
55	122.10	137.25	.....	.....	72.80	.....	

### Sun Life Issues Double Protection to 65 Policy

A double protection policy to age 65 has been added by Sun Life of Canada, for United States business only. The policy carries \$2,000 insurance to age 65 and \$1,000 thereafter, premium decreasing to the ordinary life rate as of original age of issue at age 65.

Age	Prem.	Age	Prem.
20	\$27.70	40	\$48.20
25	31.00	45	57.80
30	35.30	50	70.40
35	40.90	55	86.90

### Life of Va. Raises Single Premium Annuity Rates

Oct. 1 is the effective date for increase in the cost of a single premium life annuity issued by Life of Virginia. Single premium cash refund and installment refund immediate annuities will be on an increased basis as of Nov. 1. At that time, the company will discontinue issuance of single premium elective annuities. Specimen rates for an annuity to provide \$100 annually are as follows:

Age	Male	Female
50	\$1,873.80	\$2,087.10
60	1,435.60	1,655.20
70	1,013.70	1,220.10
80	648.30	821.70

## AGENCY NEWS

### Life Sales Indicate Sound Economic Outlook: Kemp

DETROIT—Increased insurance buying by the American public indicates a sound economic outlook for the future, A. N. Kemp, president of Pacific Mutual Life, declared in an address before the Detroit agency at a breakfast meeting. The fact that life insurance sales increased 105 percent the first eight months as compared with 1940 is only one indication that the public is serious in its effort to build up savings reserves that will tend to hold down inflation, he asserted. He is on an air tour of agencies.

Pacific Mutual's increase has been well ahead of the national average, he said, with an increase of 173 percent in August over August, 1940. E. W. Al-bachten, Detroit general agent, reported

Detroit is adjusting itself to the change-over from civilian to defense production as evidenced by the fact that the Detroit agency's sales for eight months were 120 percent ahead of those for the first eight months of last year.

The breakfast meeting inaugurated a fall sales campaign in which each Detroit agent is pledged to invest a portion of his commissions in defense stamps and bonds.

### Bristol Speaks in Philadelphia

W. J. Bristol, Newark general agent of Midland Mutual Life, will speak at the dinner meeting of the Philadelphia agency, supervised by J. N. Sokohl, general agent, Oct. 21.

### Waddell Agency 86 Years Old

PITTSBURGH—The R. N. Waddell agency of Connecticut Mutual, oldest life insurance agency in Pittsburgh, will observe its 86th anniversary by opening new offices at 200 Koppers building, Oct. 17.

The Waddell agency marks eight years of steady growth with the opening of its new offices. For 50 years the agency was directed by C. D. Heming-

way and then by his son, Lee D. Hemingway. When Mr. Waddell was made general agent in 1934, it stood 62nd among the agencies of the company. By the end of the next year it had advanced to sixth place.

### Davenport Agency's 57th Birthday

The Davenport, Ia., agency of Northwestern Mutual Life, recently observed its 57th anniversary. James H. Copeland is general agent and is the third man to hold that office in the 57 years. He has been with Northwestern Mutual 28 years.

### Warner to Franklin Life

A. W. Warner, San Antonio, who has been a leading agent of Kansas City Life and San Antonio manager for five years, has been appointed general agent by Franklin Life with office in the Insurance Building, San Antonio.

Gerald Harvey has been promoted to assistant manager of Metropolitan Life at Pine Bluff, Ark. He has been with Metropolitan at Jonesboro for several years.

## NEWS OF LIFE ASSOCIATIONS

### N. D. Sales Congress Features Taggart

FARGO, N. D.—The annual sales congress of the North Dakota Association of Life Underwriters was held here with about 80 from North and South Dakota and western Minnesota in attendance.

M. H. Toussaint, Penn Mutual, Fargo, president of the North Dakota association, presided.

Grant Taggart, California-Western States Life, Cowley, Wyo., vice-president National Association of Life Underwriters, spoke on "My Selling Methods." He stressed the willingness to render service not from a remuneration standpoint but for the advantage of the policyholder. He said he was always on watch for situations that required life insurance and showed how prospects could be uncovered by keeping track of people, knowing their problems and needs, watching changes and developments, partnership setups, dissolution of partnerships, etc., and figuring out the kind of insurance necessary in all situations.

### Shay Gives Cincinnati Talk

Robert Shay, Minneapolis manager of Bankers Life, spoke on "Planned Procedure," giving practically the same talk as at the national convention in Cincinnati.

In the afternoon, Arthur W. Olson, Mutual Life, vice-president North Dakota association, presided. Charles Ashbrook, vice-president North American Life, Chicago, had as his topic, "Selling Life Insurance Yesterday, Today and Tomorrow." He compared selling insurance yesterday, in the "horse and buggy" days, with methods in use today and looked forward to tomorrow with a great deal of confidence.

Arthur S. Mitchell, Penn Mutual Life,

Brookings, president South Dakota association, spoke on "How to Get Business Under Present Conditions." He dealt with the strategy of prospecting, and suggested a great many prospects that the average underwriter perhaps is overlooking, among them prize winning members of the 4H Club, college graduates after they have secured positions, school teachers, business college graduates, people now employed in defense industries, etc.

Bert C. Nelson, Milwaukee, Northwestern Mutual Life, outlined his own life insurance program and called it my "best property." He uses his own life insurance program in selling life insurance to prospects.

Mr. Toussaint was master of ceremonies at the banquet. Mr. Taggart talked on "Think, Have Faith and Be Honest." Commissioner Erickson of North Dakota made brief remarks.

### Michigan Officers' School Again Highly Successful

LANSING, MICH.—Another successful school of instruction for local association officers, sponsored by the Michigan Association of Life Underwriters was held here. Attendance was larger than at the first school last year, which drew special commendation from National association officers. About 50 officers or representatives from nine of the 11 organized cities were present to hear a four-point program outlined by the instructors, E. P. Balkema, Northwestern National immediate past president, and Herbert B. Thompson, state association secretary-counsel, both of Detroit.

Specific instruction was given in enlarging membership; handling of publicity and public relations; handling of legislative matters, and formulation of interesting and constructive programs.

Mr. Thompson gave an enlightening explanation of his work in representing

## CONTINENTAL AMERICAN LIFE INSURANCE COMPANY

WILMINGTON • DELAWARE

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the association during legislative sessions. He said the association asks no special favors but tries to point out to legislators what would be to the best interests of policyholders. Fairly consistent success has been achieved through this method, he indicated, with adverse proposals killed off for the most part, while considerable constructive legislation has been enacted. He praised the insurance department for cooperating in bringing about better service to policyholders and working toward a higher qualifications standard in the agency field.

Local associations represented were Detroit, Grand Rapids, Flint, Lansing, Saginaw, Bay City, Jackson, Battle Creek, Kalamazoo. H. Loree Harvey, Kalamazoo, state association president, attended. Donald Machum, Detroit, served as chairman and Harold C. Brogan, Lansing, directed local arrangements.

### Kansans Set Hot Pace in Their "M Day" Campaign

WICHITA, KAN.—About 125 Wichita life underwriters, turned out for the Kansas "M Day" kick-off breakfast, one of similar meetings held by all local associations in Kansas the same day. Kansas is thought to have been the first state to mobilize for the campaign to promote the sales of defense bonds and stamps, according to Lee Wandling, Wichita, state chairman. Life men will spend one full day each month on the drive.

Following a stirring patriotic sales talk by Ralph Carney, ace salesman, who is vice-president and sales manager of the Coleman Lamp and Stove Company of Wichita, Leo R. Porter, Wichita association secretary, explained the setup for the campaign. Kits of supplies were furnished eight "key men instructors," who immediately organized their workers and launched the campaign shortly after the breakfast adjourned. So intensive was the campaign that a rush order went to the state administrator for 4,000 additional payroll deduction cards before the day was over.

### Wisconsin State Officers at Fox River Valley Meet

OSHKOSH, WIS.—Officers and directors of the Wisconsin Association of Life Underwriters were guests of the Fox River Valley association at its first fall dinner meeting. President Harry Bruegger of Oshkosh was chairman and members from the several cities in the group heard Earl Wheeler, Madison, state president, talk on state and National associations, their value and activities. Also introduced were other state officers and directors, including Peter Zimmer, Oshkosh, and Paul Schuette, Manitowoc, vice-presidents; Joseph Hinkes, Milwaukee, secretary, and Edgar Clough, Green Bay, treasurer.

In the afternoon, the state officers and directors held their quarterly meeting, at which President Wheeler and other delegates reported on the national convention in Cincinnati. Reports were also made by committee chairmen on activities and future plans of the state association. Mr. Bruegger, chairman of the education committee, reported that a much broader program is being formulated by the state vocational schools, which will conduct life insurance classes in a number of cities with Erbin Harenburg, Eau Claire, as instructor.

### Massachusetts Association Gets Philadelphia Award

WORCESTER, MASS.—The Philadelphia Award, presented by the Philadelphia Association to the National Association of Life Underwriters and won by the Massachusetts association for the greatest increase in membership of any state association, was formally received at a meeting of the Massachusetts association here. The plaque was turned over by W. W. Hartshorn, Metropolitan Life manager, Hartford, National

trustee, to W. H. Boireau, Berkshire Life, who was president of the state association when the trophy was won.

Presidents and chairmen of committees of the local associations in Boston, Worcester, Springfield, Holyoke, Fall River and Fitchburg were present. State President Maynard Keiser, John Hancock, Springfield, was in charge.

There was a general discussion of problems incidental to the conduct of local association meetings and the various locals voted to cooperate in the purchase of defense savings bonds.

### Worry Increases Mortality

EAU CLAIRE, WIS.—While infant mortality has improved very considerably in recent years, this has been sharply offset by an increase in mortality at the middle ages because of tendency in the modern way of life to do a great deal of worrying, George A. Harper, assistant superintendent of agencies Bankers Life of Des Moines, told the Chippewa Valley Life Underwriters Association at its first fall meeting here. President Archie Hurst was chairman. Mr. Harper spoke on "Worry and the Mortality Table." Mid-age worry in many instances results in disease of the circulatory system and consequently increased mortality among middle-aged persons, he said.

Mr. Harper said one of the current and most predominant worries is whether or not inflation will come and if so to what degree.

"This question boils down pretty much to whether or not people will have a lot of money with which they can not buy the things they don't need, or whether they will have no money with which to buy the things they do need," Mr. Harper said. "Because of the safety factor in life insurance, it is the surest way of having money to buy things they do need at a time when they will need it most."

### Arrange Hershey Program

The program is being completed for the annual managers' conference under the auspices of the Pennsylvania State Association of Life Underwriters at Hershey, Pa., Nov. 10-11.

### Pittsburgh Congress Oct. 16

The sales congress of the Pittsburgh Life Underwriters Association will be held in Hotel Schenley Oct. 16.

A sales clinic will be conducted by John Marshall Holcombe, Jr., manager, and B. N. Woodson, director of service of the Sales Research Bureau. John A. Witherspoon, John Hancock Mutual Life, Nashville, will make one of his first appearances as president of the National Association of Life Underwriters.

L. Kent Babcock, Jr., Aetna Life, is sales congress chairman, and W. J. Wright, Penn Mutual, promotion chairman.

Springfield, Mass.—George F. B. Smith, assistant vice-president Connecticut Mutual, delivered a talk "John Q. Public Tries to Figure Things Out." The speech concerned the man in the street, what he is thinking and how the underwriter can direct his thoughts.

Omaha—Bert C. Nelson of Northwestern Mutual will speak on "Sign Here—Doing What It Takes to Sell Life Insurance" at the first fall meeting Oct. 9. The association now has a larger membership than ever before.

Beaver Valley, Pa.—Joseph V. Buck, supervisor for the Bankers Life of Iowa in Pittsburgh, spoke at a meeting in Beaver Falls Thursday night.

Butler, Pa.—Ed. L. Sittler, Jr., supervisor of Mutual Life in Pittsburgh, will speak at a luncheon meeting Friday.

Washington, Pa.—J. Douglas Anderson, Pittsburgh district manager of National Life & Accident, spoke Wednesday night.

New Castle, Pa.—R. R. Dodson, manager General American Life, Pittsburgh, spoke Thursday.

Columbia, S. C.—New officers were inducted by J. E. Jenkins, Charleston, president of the State Association. Fred Hensley is president; Davant Bostick,

## Collect from the Treasurer

A poet has described October as "the treasurer of the year." And such it most truly is for those who reap this fortunate nation's abundant crops.

This happy conceit of the versemaker brings to mind the thought that any and every month can be October for the life underwriter who does what he ought to do and keeps everlastingly at it.

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All letters and interviews will be held strictly confidential.

vice-president; T. K. Knight, secretary-treasurer.

**Greensboro, N. C.**—Sale of defense savings bonds and stamps was officially started at a breakfast on Oct. 8. A. P. Mulligan is general chairman of the committee in charge.

**Northern New Jersey**—At a luncheon meeting in Newark Oct. 16, Edgar Kobak, vice-president of the blue network of the National Broadcasting Co., will speak on "Qualifications for Salesmanship."

**Mobile, Ala.**—H. Martin Nunnally, president Alabama association, spoke at a meeting which drew the biggest attendance of the year. He said more and more colleges are offering educational courses for young men desiring to become life underwriters and that in cases where they do not go into the business they become better buyers of insurance. He said this educational program as well as other measures taken by companies and general agents tend to raise the quality of men in the business.

The Mobile association put in a bid for the next state convention.

**San Francisco**—The first meeting of the women's division is being held Friday. Mrs. Stella Gibbs, manager women's division of California-Western States Life, will preside. Plans for the sale of defense savings bonds will be discussed.

**St. Paul**—"A good approach is the best close," Bert Nelson, Northwestern Mutual Life, Milwaukee, told a luncheon gathering. He advised life agents to be civic-minded, active in clubs and organizations and to be courteous at all times. Herman Rampmeyer, Ohio National, reported on the national convention at Cincinnati.

**Baltimore**—Ralph C. Bevan, general agent of National Life of Vermont at Providence, R. I., spoke on Oct. 9 on "Words and Their Magic Power."

**Boston**—National President John A. Witherspoon of Nashville, Tenn., will speak Nov. 6.

**Portland, Ore.**—Expansion of the American economy to a point close to the \$100,000,000,000 annual income mark, coupled with a new official accent on thrift, has built a foundation for the greatest life insurance sales in history, G. W. Schoeffel, superintendent of agencies of Oregon Mutual Life, said.

Every month in 1941 has shown an accelerated gain in insurance sales. The last three months of the year will add further impetus, Mr. Schoeffel stated.

**Jonesboro, Ark.**—Strong criticism of American isolationists was expressed by Commissioner Graves, who is a former state commander of the American Legion. He predicted the nation will triumph over internal and external foes. Joe Barrett, Craighead county chairman, made an appeal for purchase of defense bonds and stamps.

**Scranton, Pa.**—The annual sales congress is being held here Nov. 8.

**Indianapolis**—Charles J. Zimmerman, Chicago, past president National association, spoke Thursday, keynoting the theme for the year, "There Is No Substitute for Life Insurance." Leaders in volume from each agency were especially grouped and honored at a special table.

**San Antonio, Tex.**—The day for the monthly luncheon meeting was changed from the first Friday to the first Thursday each month. H. B. Veazey, chairman of business ethics and practices, reported his committee has remedied some situations. Resignation of G. V. Jackson as membership chairman was announced. Starkey Duncan reported as chairman of a special committee which is working on plans for forming a San Antonio Leaders Round Table, with membership based on premiums. Father Patrick Duffy, Austin, pastor Church of St. Ignatius Martyr, spoke on "Spiritual Insurance."

**Springfield, Mo.**—The "kick-off breakfast" for the sale of defense bonds was held Wednesday. C. Alton Russell is chairman defense bond committee.

**Joliet, Ill.**—William E. North, agency director New York Life, Chicago, spoke Thursday on "Added Profits Through More Efficient Self-Management." Mr. North is a director of the Chicago association.

**Hartford**—Charles J. Zimmerman, general agent Connecticut Mutual Life, Chicago, told the members of the many opportunities for a career in life insurance. For life insurance men there is no problem of priorities and the product is always ready for the buyer, he said. Dr. W. Harrison Carter of the University of

## Form Okla. State Unit, Hawley Wilson President



J. HAWLEY WILSON

The Oklahoma State Life Underwriters Association was organized at Stillwater Monday evening of this week. Thirty-eight were in attendance from Oklahoma City, Tulsa, Enid, Muskogee and Stillwater and the following officers were elected:

President, J. Hawley Wilson, Massachusetts Mutual, Oklahoma City; first vice-president, Roscoe Grimm, Metropolitan Life, Tulsa; second vice-president, F. W. Tippet, Metropolitan Life, Enid; third vice-president, James Booth, Equitable Society, Muskogee; treasurer, Claude Bradshaw, Mutual Life, Stillwater.

The secretary is to be appointed by the directors.

The organizing of this association was one of the first official acts of Tom B. Reed, Great Southern Life, newly elected national trustee and organization chairman of Oklahoma City Life Underwriters Association.

Friday noon of this week the Ponca City Life Underwriters will hold an organization meeting, at which time it is expected the organization of an association there will be effected. Tony Barricklow, Business Men's Assurance, is chairman of the committee. J. Hawley Wilson will assist in this new organization.

Connecticut, who is teaching the C.L.U. course for the association, was presented by Franklin F. Pierce, supervisor Connecticut Mutual, head of the local C.L.U.

### Now 3,400 Life Company Directors

Today 3,400 educators, lawyers, civic leaders, business and industrial leaders, bankers, economists, realtors, are serv-

ing as directors of 305 American life insurance companies, the Institute of Life Insurance reports.

## Full Two-Day Program Is Set Up for Illinois State Rally at Peoria Oct. 24-25

Arrangements have been completed for the joint meeting of the Illinois State Association of Life Underwriters and Peoria association Oct. 24-25.

The Oct. 24 session will consist of a general agents and managers meeting from 2 to 5 p. m. and this will be conducted by Paul Speicher, Research & Review, and his staff. Every general agent and manager in Illinois will be welcome and anyone else who may be interested. Following this will be a cocktail hour for everyone.

### Witherspoon to Speak

That evening will be a dinner meeting which will be presided over by Alan E. McKeough, president of the Illinois state association, and John Witherspoon, newly elected national president will be the featured speaker. Introduced to the assembly will also be the newly elected national trustee from Illinois, Philip B. Hobbs, Chicago, who will also speak briefly.

Following the dinner will be the business meeting of the Illinois state association and all officers of associations have been urged to attend.

Saturday, Oct. 25, will be the Peoria sales congress proper and speakers for the day will be Lowell Schwinger, Northwestern Mutual, Waterloo, Ia., and A. H. Kollenberg, Mutual Benefit, who appeared on the national convention program in Cincinnati. Everett M. Dirksen, congressman from the 16th district; Paul Jones, Illinois insurance director; and Paul Speicher are on the program.

Mr. McKeough will make the principal address of welcome and John Witherspoon will again speak.

## McAndless Named Head of A. L. C.

(CONTINUED FROM PAGE 1)

final meeting was held Tuesday afternoon.

The Industrial Section held an all-day session Tuesday, the afternoon meeting being executive. It had four set speakers at the morning session.

The Agency Section now according to custom holds its session Wednesday morning, it having five speakers. F. F. Weidenborner, agency vice-president Guardian Life, was chairman.

The general session of the convention was opened Wednesday afternoon with Julian Price in the chair. Its executive session was held Wednesday evening and there were two sessions Thursday. Laurence F. Lee, president of Occi-

dental Life of Raleigh, N. C., and of Peninsular Life, was elected on the A. L. C. executive committee. He has been very active in the Industrial Section.

Insurance Director Paul F. Jones of Illinois was selected to extend greetings for the National Association of Insurance Commissioners. President A. M. Collens of the Phoenix Mutual Life was the spokesman for the Life Presidents Association. J. A. Witherspoon, general agent John Hancock Mutual Life at Nashville, newly elected president of the National Association of Life Underwriters, brought a message from that body. T. F. Cunneen, executive assistant for insurance of the United States Chamber of Commerce, represented that organization. T. R. Heaney, Catholic Order of Foresters, Chicago, newly elected president of the National Fraternal Congress, spoke for his organization. G. W. Bourke, actuary Sun Life of Canada, was spokesman for the Canadian Life Insurance Officers Association.

Roger Q. White, U. S. naval reserve lieutenant, who is Chicago public relations officer, gave an interesting talk on the navy at the luncheon Thursday for distinguished guests.

An executive session was held Tuesday evening to talk over the trade union situation, which promises to become acute here and there. The union movement has been confined largely to industrial field staffs but now seems to be extending to home office employees. In a number of cities there has been considerable agitation. Trade union people have been distributing literature and company officials are rather solicitous as to its effect. The time for employee organization would now seem propitious owing to the employment situation, in that some of the industries are offering higher wages than companies are in the habit of paying.

Some companies evidently have felt the pressure and it was deemed desirable to have a special conference on the

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situation, compare notes and see if any course of action could be suggested.

A number of members of the Life Office Management Association were present at the conference. In fact, some of the managers went to Chicago especially to attend the meeting. The CIO seems to be in back of this life insurance movement.

## Blackall Scans Impact of War

(CONTINUED FROM PAGE 3)

idea would have induced inflation. The new policy is away from it and augurs well for the success of our enterprise and creates a better feeling on our ability to absorb the shocks that needs must follow on the war's great adversity."

The luncheon was attended by about 350 insurance people. George F. Manzelmann, president of North American Accident of Chicago, presided as chairman of the insurance division. He introduced those at the head table, most of whom are the heads of various insurance organizations. Prior to the luncheon those at the head table were entertained at cocktails.

Mr. Blackall made an excellent impression. He speaks in firm and pleasant tones, he has a well prepared message and he closes while the audience still has its ears.

In his opening, Mr. Blackall spoke highly of the service that had been performed by Ernest Palmer, former insurance director of Illinois, who was in the audience, and also stated that Paul F. Jones, the new director, already has indicated high talent.

## Toronto Card Has Kenagy, Holcombe and Stevenson

(CONTINUED FROM PAGE 3)

tee, H. G. Kenagy, superintendent of agencies of Mutual Benefit Life, will review the past 20 years of management progress. He is using "Two Decades" as his title.

The next speaker, John Marshall Holcombe, Jr., Research Bureau manager, will bring to the meeting some observations on the challenges to life insurance management as he talks on "It's an Ill Wind."

The final speaker will be John A. Stevenson, president of Penn Mutual, whose subject is "Taking Our Bearings." Following adjournment the agency officers will attend an informal reception which is being tendered by the management of the Royal York Hotel.

It is expected that there will be many more wives in attendance at this year's meeting than at previous meetings, primarily because of the Canadian location. With this in mind, the Canadian officers have made extensive arrangements for the entertainment of the lady guests. R. Leighton Foster, general counsel, Canadian Life Insurance Officers Association, is chairman of the special ladies committee. The ladies are invited to attend the buffet luncheon which will open the meeting Monday noon, and the Royal York management has also issued an invitation to the ladies to be present at the informal reception in the Concert Hall Monday evening. On Tuesday noon, a luncheon is planned for the ladies at one of Toronto's clubs and on Tuesday evening the ladies are invited to attend the annual meeting banquet which will be a gala affair. In addition, the committee has plans for a special headquarters in the Royal York Hotel. Other activities including shopping and sightseeing tours will be arranged.

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society  
Bina West Miller Supreme President  
Frances D. Partridge Supreme Secretary  
Port Huron, Michigan

## LEGAL RESERVE FRATERNALS

### Heaney, New N.F.C. Chief, Honored at Seattle

Thomas R. Heaney, secretary of Catholic Order of Foresters, Chicago, new president of National Fraternal Congress, was honor guest at a banquet in Seattle sponsored by the Washington State Fraternal Congress. T. J. Ivers, congress president, was chairman.

Commissioner Sullivan of Washington paid his respects to Mr. Heaney in a brief talk, commenting that the N. F. C. had selected a chief of great ability and dignity and extending full cooperation of his department.

Other speakers included Mayor William of Seattle, Mayor Cain of Tacoma, C. M. Burns, past president Washington congress; Stephen F. Chadwick, past national commander American Legion; Mrs. Minnie Hiner, head of Neighbors of Woodcraft, Portland, and past president Oregon congress; Oscar E. Alshire, president Modern Woodmen and member N. F. C. executive committee. Mr. Heaney closed with an address.

Accompanying Mr. Heaney were C. D. De Barry, director of sales C. O. F. and Mrs. DeBarry; Dr. J. G. McGrath, medical director and Mrs. McGrath; E. S. Cummings, general counsel, and Mrs. Cummings, all of Chicago, and Mr. and Mrs. Hugh Young, Minneapolis. Grover A. Samuels, president Oregon congress, attended.

### Berry Asks Fraternal Data

Commissioner Berry of Michigan is circularizing all licensed fraternal, asking copies of "all forms of policy certificates, applications, endorsements and riders which you are currently using, together with rate books or sheets presently in use."

The commissioner explains that his department wishes the forms and other material "in order that this office may give more effective attention to the business of fraternal life insurance." It is further requested that such forms be submitted to the department in the future in advance of their use, a requirement long enforced with relation to other classes of carriers.

### Junior Congress Elects

Joann Oehrle, Little Rock, Ark., representative of Woodmen Circle, was elected president of the Arkansas Junior Fraternal Congress at the annual meeting in Little Rock. Thelma Revell was named past president; Albert Carnahan, W. O. W., first vice-president; Ruth

Leona Teague, Woodmen Circle, secretary, and Billie Norris Turner, Royal Neighbors, treasurer.

### Four New F. I. C. Degrees

The following persons have recently attained the Fraternal Insurance Counsellor degree: A. O. U. W. of Minnesota, Calix F. Bauer and M. L. Wardwell; Maccabees, Lillian E. Kelly, and Modern Woodmen, P. H. Willadsen.

E. J. Jeffries, mayor of Detroit and general counsel of the Maccabees, has just returned after flying to and from the Pan-American conference of municipal officials in Chile.

## C. L. U.

### Course at N. C. State College

Bryan C. Davis has been appointed head of a C.L.U. class organized at North Carolina State College, Raleigh, N. C. Prof. C. B. Schulenberg is in charge of the course.

### Elect Livengood in Seattle

W. M. Livengood, Penn Mutual, has been elected president of the Seattle C.L.U. chapter, succeeding W. Z. Robinson, Fidelity Mutual Life. J. F. Haggard, Northwestern Mutual Life, is the new vice-president; R. G. Jones, National Life of Vermont, secretary-treasurer; Einar Botten, Prudential, and W. B. Laney, State Mutual, trustees.

### Jones Heads St. Paul Chapter

The St. Paul C. L. U. chapter has elected Chester R. Jones, Massachusetts Mutual, president; Donald O. McLeran, New England Mutual, vice-president, and Alan D. Harmer, Minnesota Mutual, secretary-treasurer.

### Milwaukee Chapter Elects

W. A. Kleinschmidt, Prudential, has been elected president of the Milwaukee C.L.U. chapter, succeeding Leslie Eaton, Massachusetts Protective. J. C. Windsor, Connecticut General Life, is vice-president, and Laffin C. Jones, Northwestern Mutual, reelected secretary-treasurer. Twenty-four Milwaukee men now have qualified for the C.L.U. designation.

Albert Hirst's booklet "When a Man Dies" should be in the hands of every one of your large clients. Four copies \$1. Order from National Underwriter.

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There's an exceptional opportunity awaiting the man who reads this—IF:

- he's sold on Life Insurance as a career with a limitless future!
- he's the sort of man who knows how to plan his work, then work his plan!
- he can sell Insurance, and wants a connection with an organization whose contracts afford unusual advantages to a real business-producer!

Probably nine men out of ten who read this ad won't qualify. But if you are that rare tenth man and if you are a Lutheran—don't let another day go by without finding out what Lutheran Brotherhood has to offer. All standard forms of Life and Annuity Insurance are issued... with special features original with Lutheran Brotherhood. Our system of PROSPECT-CONTACT will interest you. Give qualifications and experience in your letter to:

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## Journey to National Guardian Life

(CONTINUED FROM PAGE 4)

ceeded Mr. Putnam as secretary at the death of the latter and still holds that office, rendering service that has been most valuable. President Frear was elected to Congress in 1914 and Mr. Boissard was then made president, a position that he has held right along. No institution of this character just happens, nor does it develop by chance. It is the result of a dream. One must have had a plan, an ambition, a definite picture in his mind.

### High Sense of Responsibility

President Boissard has a very high sense of his responsibility as a trustee of policyholders' funds. He has the policyholders in mind all the time. Not in any instance has the company been exploited for the benefit of the officers, directors or stockholders. In fact, it might be said that President Boissard leans always very heavily toward the fiduciary relationship. He desires in the ultimate a company that will render the highest service and not become too large. In fact, I rather believe that if he had \$100,000,000 in force he would feel that in many ways that would be a very good circumference within which to operate. I sometimes think that President Boissard looks upon a well regulated legal reserve company as the ideal setup for an international relationship. Here are people cooperating toward one end. Regardless of race, age, station in life, whether they have small, medium sized or large policies, they have one aim in mind—that they live peaceably together. And do as a body what no one would accomplish individually.

Mr. Boissard is very much interested in a company conserving its resources in a business-like way. When he was in the field getting an agency plant together he secured men who had not been connected with any other company. He finds that the average agent does his best work with the first company with which he is connected. If he is a faithful and profitable agent then a good company will take care of him. He points out some of the bruises that an agent must take the first few years but he should never lose sight of life insurance as an institution and work toward its highest achievements. As Mr. Boissard puts it, "If a company is soundly managed and in good shape, there is no difference in the quality of protection given whatever be its size."

### Refund Made to Policyholders

To show Mr. Boissard's attitude toward policyholders, one can refer to the 3 percent tax that was levied on premiums of Wisconsin companies some years ago. This tax was passed on to the stockholders. This premium tax did not apply to life companies of other states. The law was repealed, after a 6 months' effort, in midsummer of 1915—largely from efforts of then Insurance Commissioner M. J. Cleary (now president of the Northwestern Mutual Life), and notice was promptly given all holders of Guardian policies—at that time non-participating—that their premiums would be reduced 3 percent; directors agreeing with Mr. Boissard, while the bill was pending, that as the premium

had been loaded for the tax it should be reduced to take care of the 3 percent refund. He adopted the same principle in connection with the surcharge during World War No. 1. The National Guardian returned 88 percent on all war policies because the full amount was not needed.

So far as Mr. Boissard is concerned, he believes that a policyholder gets the lowest net cost in a mutual company. The National Guardian therefore for some time has been mutual in fact if not in name. On April 1, 1920, all policyholders were placed on a participating basis. The company was then 10 years old and Mr. Boissard felt that a decade of experience should give it a proper basis for ascertaining dividend distribution. Since then it has only written participating policies. All old policies became participating in 1927.

### STEADY GROWTH PLAN

President Boissard in building his company has relied on a steady annual growth. It is one of the smaller companies in its home field but it specializes on life insurance in a limited territory. It can reach any agent or policyholder overnight. Sometimes special service can be rendered a policyholder and rapid action can be gotten. So far as mortgages are concerned, President Boissard has someone from the home office give approval to all such and they are amortized. He acknowledges it has little to offer any one in California or Florida, but has much in its own natural bailiwick.

President Boissard acknowledges that he designed the foundation and frame work of the National Guardian Life largely from studying the Oregon Mutual Life of Portland. L. Samuel, who had been with the Equitable Society, was the founder and Mr. Boissard concluded that it was a company that could well be emulated. It embodied what he hoped to do.

### Company Being Mutualized

The most recent step taken for the benefit of policyholders was the plan of mutualization approved by stockholders and the department of insurance in 1936. The plan now in process, is about three-fourths worked out. President Boissard did not want the stock to get into the hands that might change the policy of the company. He desired that the same procedure be followed and that the stockholders not receive more than was their due. The first stockholders' dividend was paid in 1921. President Boissard would not submit to a payment of any dividend to stockholders until the money had actually been earned. Mutualization is a final step in making the company truly democratic, he holds.

Undoubtedly one of the big and important figures in the National Guardian Life was the old time medical director, Dr. W. W. Gill, who was a famous diagnostician. He possessed great courage and sagacity. He, like President Boissard, was a man of the people. He took the position that medical selection never wears off. The Gill medical formula and line of selectivity are followed

right along. His hand is still on the company, so to speak. He believed in agents looking for business among the best people. He desired that the agents themselves learn to be selective. For 30 years it has had a mortality ratio of 40 per cent. This includes the era when life companies were flooded on account of the influenza epidemic and the war. President Boissard is proud of the fact that 86 percent of the business written in 1939 and 1940 is still in force. Dr. Gill evidently left a fixed impression on the agents because it is very seldom that one endeavors to pass a bad risk on to the office. Loraine Thiede is the underwriter and for many years she was secretary to Dr. Gill. Dr. Albert Tormey, the present medical director, is imbued with the spirit of Dr. Gill and carries on the medical department according to the high standard that was established, keeping it of course in step with the times.

### Richard Boissard's Position

Richard Boissard, the vice-president and general manager, is the son of the president. He graduated as an engineer and had considerable business experience along scientific and technical lines. He has proved to be a real chip off the old block. He is now a member of the committee of company officials, Life Insurance Research Bureau people and general agents that are working out a compensation plan for agents. He has served as president of the Life Office Management Association. He has taken part in other organization work and today is regarded as one of the forthright, intelligent young executives in the business. Certainly there was no nepotism when Richard Boissard was brought into the company. His father would never have allowed him to step inside its doors and draw a salary if he had not come up to the standards that had been set.

The comptroller, Lawrence J. Larson, is a University of Wisconsin man; he is office manager and assisted the building committee when the new home office structure was being erected. Richard Boissard was chairman of the committee. Mr. Larson is one of the all-round life insurance men. He can stick a rate book in his pocket and go out and sell a prospect, sit in on mortgaged property at a sheriff's sale, give some timely advice to employees.

A. G. Schmedeman is the energetic superintendent of agents who is pounding the field and getting results without making much noise. In fact, he does not believe in plunging or stimulating artificial business. Dirk Heezen, the actuary, formerly held a similar position with the old Meridian Life. He is first-class material and is considerably more than an actuary in his viewpoint. Altogether the National Guardian Life is staffed by men and women who are imbued with the spirit of the organization. They all realize that they have a superb opportunity to contribute to the welfare of mankind. Hence they typify the highest ideals of life insurance as a beneficent institution.

### Harmer Before Twin Cities Club

Allen D. Harmer, agency secretary Minnesota Mutual Life, will explain government life insurance provisions at the first fall meeting of the Twin Cities Home Office Life Club in St. Paul Oct. 14.

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# Sales Ideas and Suggestions

## New Tax Sharpens Need for Insuring Amounts Owed U. S.

NEW YORK—Though the average substantial taxpayer's instinctive reaction to the new income taxes is to hold his head and moan, he may be a better prospect for life insurance even though he has less surplus money to spend, according to tax experts who have studied the implications of the new law from a sales angle.

Probably the biggest single opportunity that the new tax opens up is the need for cash to pay the installments of income tax unpaid at the time of the taxpayer's death. A much greater number of taxpayers are going to be faced with the need for this protection and those who already need it are going to need it much worse. In some cases income taxes will be trebled. These are not the people in the top income brackets, whom the average agent rarely sees, but men ranging up to the \$10,000 a year income class, who are the best life insurance prospects.

### Most Pay Quarterly

Since the federal government charges no interest on the installment plan of paying the tax and offers no discount for paying it in one lump sum, practically everyone paying a substantial amount of income tax takes advantage of the quarterly payment basis. In fact it is unlikely that many pay in a lump sum except those who pay such a small amount that it is not worth while to split it four ways.

It has been found that even in a carefully audited program there is usually no provision for taking care of these unpaid income tax installments. Yet on the average anyone using the quarterly basis owes for a year's tax. In many cases this makes a substantial difference in the amount of money required in the cleanup fund.

### Enright Case's Significance

Not only is there the increased amount of tax to be considered but in case of all professional men, particularly lawyers and doctors, the tendency of the government to seek every possible

way of augmenting revenues from taxes must be taken into account. The Enright case demonstrated that when a professional man dies the money that is coming to him from unpaid fees at the time of his death must be included not only for estate tax purposes but as income during the current year.

Decision in the Enright case was that the decedent's estate had to include for income tax purposes his share of accounts receivable in the law firm in which he was a member and his share of unfinished business, with a nominal allowance for the percentage that would be uncollectible. The same situation applies in the case of a physician although the government would figure on only about 20 percent of the accounts receivable being collected.

Insurance agents themselves face the necessity of including in their gross income the commuted value of their renewals, adjusted for probable lapses and deaths.

### Stresses Need of Safety

The increase in income taxes coupled with the higher cost of living due to excise taxes and inflationary tendencies should have the effect of making people realize that while they may have less money to set aside as investment or savings they must be more certain than ever that what they put aside is safe. This tendency should be emphasized not only by the absence of opportunity to make large profits on speculative investments but by the fact that so much of any possible profit would be taken away in taxes.

Another argument for buying life insurance, similar to the one that was used during the depression when salary cuts were the rule rather than the exception, is that if the tax payer is so disturbed about the relatively small decrease in his spendable income caused by the new tax laws how will his family fare if they are forced, because of inadequate insurance protection, to have their spendable income reduced far more drastically than any tax program that has been proposed so far.

## Specifies Time of His Call in Pre-Approach Letter

NEW YORK—Writing to a prospect who has never heard of you to tell him that you will be in to see him at 10:30 a. m. next Friday may not seem like a very practicable way of obtaining first interviews but Louis E. Orcutt of the Clancy D. Connell agency of Provident Mutual in New York City has used it successfully for the last eight years. Experience of a number of other agents who have adopted the letter devised by Mr. Orcutt, shows that the system can be effectively used by others.

Mr. Orcutt's letter is the outgrowth of several experiments. These earlier letters did not do so well, largely, he believes, because they were too effusive and not direct enough. The brevity and the simple directness of the letter he uses are not accidental but have been arrived at by a process of experiment and elimination. The letter follows:

Dear Mr. \_\_\_\_\_  
No matter how well known or how prosperous a business may be, new cus-

tomers must be constantly added to its clientele.

My business does not differ from others in this respect.

In the hope that you may, some day, become a customer, I will present my card at 10:30 a. m. on Friday, October 10. I have no patent policies, no desire to tear down the insurance you now own. I wish, only, to become acquainted, in order that I may be ready to serve you when next you need insurance advice.

Yours sincerely,

### Nearly Always Gets In

Use of this letter has revealed two facts that may seem surprising: About 95 percent of the men Mr. Orcutt calls on are in at the time he calls and about 99 percent of those who are in are willing to talk with him. He never does any selling on the first call unless the prospect insists on buying. One man, for example, asked how much \$10,000

of ordinary life would cost and he bought this amount on the first interview.

The letter is typed on engraved stationery which, with the envelope, costs about two cents. Because the number 10 size envelope is used the letter needs to be folded only twice and consequently makes a much better impression when it is taken out of the envelope. In its physical aspects, the letter is attractive while men seem to appreciate its directness and the fact that it lays all the cards on the table. This may be one of the reasons why Mr. Orcutt never had a prospect refuse to give him a birth date or any other essential information that he is after on the first interview.

### Goes to All Prospects

The same letter goes to all prospects, whether the name was obtained from a center of influence or is a strictly cold canvass prospect, with the exception of

those on whom Mr. Orcutt is calling at someone's direct request. The letter doesn't mention the mutual acquaintance, although the name will probably be brought up in the course of the conversation.

Mr. Orcutt uses the letter not only as a door-opener but as a way of making himself make new calls and get out of the office for an early start. He sends not less than 10 letters a month and between 200 and 300 a year. He makes the first appointment for 10:30 and the second for 11:15. The two morning appointments are the best bets.

Mr. Orcutt's success in devising an effective pre-approach letter can hardly be regarded as accidental, for he has had extensive advertising experience, beginning 40 years ago when he was in the wholesale rug and drapery business. He has also had considerable experience in the editorial side of newspaper work.

## Judicious Service Key to Salary Allotment Profits

NEW YORK—In the handling of salary allotment cases, a type of business which is rapidly becoming more popular, the agent must exercise a good deal of judgment, after he has installed a case, as to how much time he should spend in cultivating any one of these franchises. Usually the business which he obtains after putting in the franchise is what makes the salary allotment business attractive or not.

There is no mathematical formula for the amount of time that can justifiably be spent on any particular franchise. If too much time is spent the agent becomes discouraged at the small amount of business he is getting. Actually he is using time that might better be employed in regular solicitation or trying to set up additional salary allotment franchises. On the other hand if he neglects the franchise he passes up not only the additional business he might get from policyholders under the plan and those who have not already bought but from contacts which he can readily obtain from both these sources. The catch is that he can make the most of these direct and indirect contacts only after he has set himself in solidly with the group and this takes a certain amount of time.

### Danger of Neglect

According to salary allotment experts there seems to be more danger of doing too little work on a given franchise than too much. In case of doubt it would seem safer to err on the side of putting a little more time in on a given case than a little less. This is borne out by the experiences of one prominent company writing this class of business.

Every year the salary allotment department sends out to each agency a list of cases to which at least one new life has not been added during the past year. These are termed dormant cases. This is not done in a routine manner but a personal letter is written to each agency head. The result is that the agents go out to call on these cases and a worth-while wave of business results. This indicates very plainly that these franchises were not being worked in a way to get the most out of them. Obviously the cases that result might have been considerably more numerous if they had been sought steadily. In addition there would be indirect business.

Another thing that shows that salary allotment franchises could probably be given attention more consistently with

profit is that in a campaign where agents are supposed to get at least one application the agent with a salary allotment franchise usually picks up a case from this source. This indicates that he might very readily have gotten not only this case but perhaps several others if he had made his contacts more systematic.

It has been found that the primary factor in making intensive cultivation of salary allotment franchises possible is selling the top man. He must be enthusiastic about the idea and not just half-heartedly cooperative. This enthusiastic cooperation on the part of the right executive means much not only in putting over the plan but in such matters as the agent's getting a private office, or at least a desk of his own, and a telephone connection so that he can make appointments with people in the plan.

### Asking Brings Results

It is astonishing how much such an executive will do for the agent when his cooperation has been enlisted in the right way. Also, the way in which the requests are put has a good deal to do with the answer. For example, the agent should not bluntly ask for a private office in which to interview the personnel but should point out that these talks are of a confidential nature that it would be well for them to be conducted in private or at least in some place where there would be a minimum of disturbance and that possibly there is a vacant office available that could be used for this purpose.

Very often it is found that even though there is no permanently vacant office one of the executives is away a great deal of the time and his room could be used by the agent. In many cases the board of directors' room can be used, since it is needed for board meetings only about once a month ordinarily.

### Collateral Benefits Result

Incidentally, some agents have found that selling the salary allotment idea is such a potent way of getting the key executive's interested attention that they use the salary allotment approach even though they have no intention of making any effort to install a franchise. Once the agent is on a friendly footing with the executive it opens the way for the sale of personal life insur-

ance—which was the only thing the agent was after in the first place. This strategy seems regrettable in view of the fine possibilities of salary allotment insurance but it demonstrates the collateral advantages of this type of sale.

One important aspect of getting the whole-hearted cooperation of the proper executive is for the agent to lay all his cards on the table. If there are any points which the executive might not like these should be brought out at the time of the sale and not left to be unpleasant discoveries later on.

## Suburbs Menace City Mortgages

(CONTINUED FROM PAGE 2)

Lain mentioned the publicity campaign inaugurated by the New York Real Estate Board in an effort to combat the migratory movement of apartment tenants from the city. Income derived from capital invested in New York apartments is in grave danger, he said, adding that "we'll have to do a better selling job to combat the movement away from the cities."

### Many Life Men on Hand

Because of the importance of mortgages as life company investments, it was not surprising that many life insurance men were on the program and in the audience during the three-day session. At the all-day loan clinic at which Mr. McLain spoke, 12 out of the 20 men on the program, including the chairman, were life insurance mortgage men, while the principal speaker of the day, whose address was reported in last week's issue, was Superintendent Lloyd of the Ohio insurance department. At the general sessions two prominent life company executives spoke: President Lewis W. Douglas of Mutual Life and Vice-president G. S. Van Schaick of New York Life, former New York insurance superintendent, whose addresses were reported in last week's issue.

### Warns of Inflation

There is danger of a definitely inflationary cost of building and it behooves lenders to keep a respectful distance behind the market, according to T. S. Burnett, mortgage loan manager of Pacific Mutual Life, who participated in the loan clinic. The danger point in building costs has not yet been reached, but costs will rise so rapidly that this

point will come unnoticed and will be passed with a rush.

Slackening of the defense program and readjustment to normal business after the war, combined with the most staggering public debt the country has ever known, promises to produce a slump in business and in all types of new construction, he warned. As for drawing inferences from the last war, Mr. Burnett pointed out that the stage is set differently today, that government spending for defense will have a more complicated effect and will not necessarily bring increased profits, since there will be excessive labor costs and the deflationary effect of controlled economic policies of regulation, price-fixing, taxes and priorities.

Other life insurance men who contributed to the clinic were W. B. F. Hall, mortgage loan manager of Lincoln National Life; W. W. True, assistant chief appraiser Equitable Society; C. L. B. n e r, vice-president Continental American Life; H. C. Peiker, associate superintendent of loans Massachusetts Mutual; G. D. Brooks, manager investment department National Life and Accident; F. J. Eberle, second vice-president mortgage loans Connecticut Mutual Life; J. S. Corley, assistant treasurer Bankers Life of Iowa; C. C. Stayman, financial vice-president Western & Southern Life; E. C. Edmonds, assistant treasurer Ohio National Life; Frank D. Hall, chief appraiser Equitable Society, and Paul J. Vollmar, manager mortgage loan and real estate department Western & Southern Life, who presided over the loan clinic.

## RECORDS

**State Mutual Life**—The gain in September paid business gives the company a total of 19 monthly increases in the last 20 months. In seven out of the past eight months, the company has shown a gain over a gain.

The Memphis agency under Jeff Gros, led all others in volume with the best month in its history. The agency was second in lives produced to the George F. Robjant agency, Boston, and also led the company in volume of term conversions.

The Gerald H. Young agency, New York City, leads all agencies for year to date in total volume, followed by the agencies of Guy A. Reem, Detroit; Mr. Robjant; Joshua B. Clark, Boston, and Joseph C. Caperton, Chicago.

**Kansas City Life**—Insurance in force as at Sept. 30 amounted to \$499,000,000. The net issued business for the first nine months of this year was \$38,762,000, which exceeded the production for the same period of last year by \$1,250,000. Assets have reached the \$128,000,000 mark.

**Hoosier Farm Bureau Life**—Production in August amounted to \$900,000, of which 80 percent was cash with application. The average policy was \$2,260.

**Equitable Life, Iowa**—For the second consecutive month a new record was set in volume of business written in September. Paid-for business totaled \$7,680,684, the largest September volume since the company was founded in 1867 and a gain of more than 100 percent over 1940.

**Franklin Life**—September production was the best during that month in 11 years; new paid volume aggregated more than 2½ million dollars.

During the first nine months of this year assets increased \$2,276,000 in contrast to \$1,185,000 during the same period in 1940. Mortality rate for the year stands at 49.3, a decrease of 8.11 points. Volume of surrenders declined about 20 percent under last year. In-

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terest income and rents increased more than \$200,000 during the first three quarters.

In the last 18 months more than \$4,000,000 has been invested in FHA mortgages and other investments insured by the federal government. Its liquid resources now exceed \$22,000,000.

Renewal income gained \$899,574 over the first nine months of 1940, the total being \$4,659,856 for the year to date.

Sales of farm properties aggregate approximately \$750,000, at an average increase in price of about 20 percent.

**California-Western States**—Report 33 percent increase in both written and paid for new business for the first three quarters. Production for September topped every month for the last ten years.

The Sacramento agency, managed by R. E. Murphy, led the agencies for September.

**United Services Life**—September production amounted to \$1,919,000 which was an average of \$61,900 per producer. The production through Sept. 30 for this year was \$15,632,000, and insurance in force on that date was \$24,668,414. Each of the first 17 producers during September wrote business of \$50,000 or more. United Services Life has been actively writing business only since March of 1939.

**Guarantee Mutual Life**—During September in a last month drive before new 3 percent rates became effective, written business totaled \$3,363,987, which was the biggest volume of business in any month in history. September's volume exceeded the previous high monthly total of the year, written last March in honor of Agency Vice-president A. B. Olson, by 63.2 percent. Total writings for the year to date are 32 percent greater than for the corresponding period of 1940 and amount to \$16,415,951.

Leading agencies in September were those of Sam B. Starrett, Jr., Omaha; E. L. Scarlett, Fargo; Wm. M. Liscom, Los Angeles; Humphreys Bros., Fresno; and Conn W. Moose, southwest Iowa.

For the year to date, the leading agency is that of Carl M. Leonard, Tulsa, with the Starrett agency, second.

**Jack Wiseman agency, Franklin Life, St. Louis**—For the third straight quarter this year, the agency is leading all others in the company, paying for \$1,100,000 in the period. This is the agency's fifth year during which time the paid production has never fallen below \$1,000,000. The agency, which was started from scratch, expects this year to surpass any in the past.

### Michigan Department Makes Survey of Group Business

LANSING, MICH.—Seth R. Burwell, director of the life and fraternal division of the Michigan department, has launched a survey of companies writing group life business in Michigan to review experience rating plans applicable to this class of business.

A questionnaire has been mailed out to all carriers which have revealed through their annual reports that they are writing group business. The question, in brief, follows:

1. What size and type of group is eligible for experience rating under the underwriting rules of your company?
  2. Explain in detail formula used in determining the experience rate adjustment. (Complete advice is asked relative to all credibility factors used in determination of annual premium.)
  3. Is the company reimbursed for acquisition costs from the first annual premium? If not, how are acquisition costs allocated?
  4. What percentage of the gross first annual premium is allocated to cost of protection, agents' commission, home office administration, taxes, etc.?
  5. In what manner is experience credit returned to the assured (employer)?
  6. Is the rate reduction under experience rating plan for the ensuing year, if any, supplemented by a retroactive cash refund?
- (a) If so, does your policy contract

expressly provide for such retroactive cash refund?

(b) If not, under what authority is such retroactive cash refund granted?

(c) How is amount of such cash refund determined?

(d) To whom is the cash refund payable?

### National Masonic Appointment

National Masonic Provident Association has appointed Hiram Neuenschwander as general agent for Cincinnati and vicinity. Mr. Neuenschwander has had over 12 years experience in the non-cancellable health and accident and life insurance business. He will be located in the Fountain Square building.

### Statement of the Ownership, Management, Circulation, etc., Required by the Acts of Congress of August 24, 1912, and March 3, 1933

Of The National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for October 1, 1941: State of Illinois } ss: County of Cook }

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared Howard J. Burrledge, who, having been duly sworn according to law, deposes and says that he is the secretary of The National Underwriter Co., publishers of The National Underwriter Life Insurance Edition, that the following is, to the best of his knowledge and belief, a true statement of the ownership, management and (if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537 Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:  
Publisher, The National Underwriter Co., Chicago, Ill.  
Editor, C. M. Cartwright, Evanston, Ill.  
Managing Editor, Levering Cartwright, Evanston, Ill.  
Business Manager, H. J. Burrledge, Hinsdale, Ill.
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3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.)  
None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is: (This information is required from daily publications only.)  
The National Underwriter Co., publisher, by Howard J. Burrledge, secretary.

Sworn to and subscribed before me this 26th day of September, 1941.

(Seal) J. C. O'Connor, Jr., Notary Public.  
(My commission expires July 27, 1946.)

**Title Insurance**

**AMERICAN FIRST TRUST CO.**  
First National Bldg.  
Oklahoma City, Okla.

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**STATE-WIDE TITLE INSURANCE**  
Under Supervision of State Bank Commissioner

**PROPERTY MANAGEMENT**

**ENGEL REALTY COMPANY**  
Realtors & Insurers

MANAGEMENT SALES  
LEASES APPRAISALS  
BIRMINGHAM, ALABAMA





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O. E. SCHWARTZ



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J. T. CURTIN



A. S. CUTLER

## These Men Are in a Contest

During the month of October the members of the sales organization of The National Underwriter, whose pictures are shown on this page, are engaged in a subscription getting contest. Their object is to considerably increase the number of regular readers of The National Underwriter which, for more than a decade has had the largest circulation of any weekly insurance newspaper.

At this particular time, when the future is so unpredictable, it is of the utmost importance for the insurance man to be well posted regarding current events and probable future trends. It is not an accident that the most successful men in the insurance business are invariably those who are the best informed.

Actually, every man who makes his livelihood from insurance should read the leading trade paper of the business. There are, of course, many who have never been asked to subscribe and that is a situation that we hope to remedy to a large extent during the current month.

When and if any of our field men whose pictures are reproduced here call upon you, we bespeak for them a favorable reception. You will find them helpful, cooperative and well informed. They are good men to know.



W. A. SCANLON



G. C. ROEDING



R. E. RICHMAN

## The National Underwriter

*The leading weekly insurance newspaper.*

John F. Wohlgemuth,  
President



C. M. Cartwright,  
Editor



A. J. EDWARDS



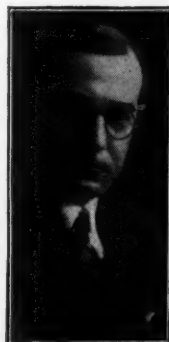
M. B. FLANDERS



E. H. FREDRIKSON



E. E. HESS



F. B. HUMPHREY



R. W. LANDSTROM



NORA V. PAUL



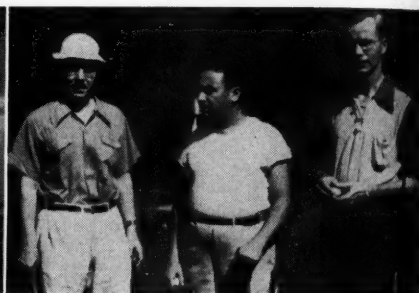
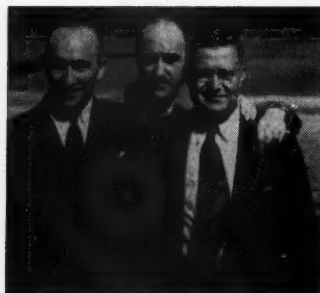
Frank Vitanza, a leading producer of Jamaica, L. I. with President J. P. Fordyce at Manhattan Life's annual agency convention at White Sulphur Springs.



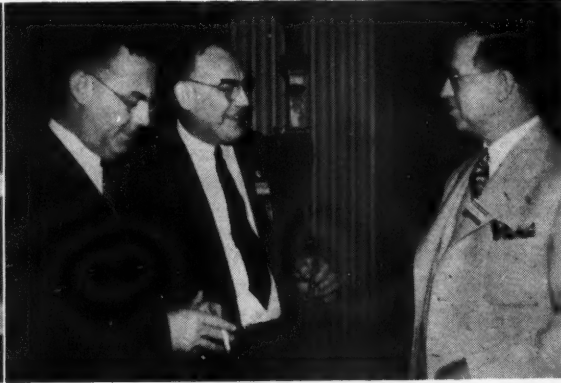
Stanley G. Jones, State Mutual, Toledo, and John H. Evans, vice-president Ohio National Life; T. F. Cunneen, insurance manager United States Chamber of Commerce; A. W. Hawkes, president United States Chamber of Commerce, convention speaker; Morris Edwards, secretary Cincinnati Chamber of Commerce, at Cincinnati meeting of National Association of Life Underwriters.



New officers of Life Advertisers Association elected at Boston: (Left to right) Powell Stamper, National Life & Accident, editor "Life Advertiser"; Bart Leiper, Provident Life & Accident, vice-president; A. Scott Anderson, Equitable of Iowa, president; Harry V. Wade, Standard Life, Ind., treasurer; and Jack R. Morris, Business Men's Assurance, secretary.



At Manhattan Life's annual sales parley at White Sulphur Springs: (Left to right) H. J. Heffernan, manager brokerage department, Chicago; F. V. Gilbert, Jamaica, L. I., general agent; Abraham Lifton, New York City, general agent; Vincent W. Edmondson, assistant to the president; James G. Ranni, New York City, general agent, leading agency of company and winner of Halsey Cup and production plaque; Clarence Spencer, Hightstown, N. J., general agent, winner low gross in golf tournament with 73.



Left—Backstage scene as leaders decide on details of staging at National Association of Life Underwriters' meeting in Cincinnati—James V. Laughran, Philadelphia, professional stage manager, President Harry T. Wright; and Wilfrid E. Jones of N. A. L. U. headquarters staff; Vice-president F. F. Weidenborner, Guardian Life; C. Vivian Anderson, Cincinnati, past N. A. L. U. president, and Vice-president A. L. Dern, Lincoln National.



North Star Benefit delegation from Moline, Ill., snapped at San Francisco convention of National Fraternal Congress—Dr. Frank L. Swanstrom, president; Mrs. Swanstrom; Mrs. O. R. Christofferson, Dr. Hada M. Carlson, supreme physician; O. R. Christofferson, recorder-treasurer, and Martin Carlson, former state senator and husband of Dr. Carlson.



New officers and executive committee of National Fraternal Congress: (L. to R.)—Herman L. Ekern, Chicago, president Lutheran Brotherhood; Francis P. Matthews, Omaha, head of K. of C.; Alex O. Benz, retiring president, who is president of Aid Association for Lutherans, Appleton, Wis.; Thomas R. Heaney, secretary Catholic Order of Foresters, Chicago, new N. F. C. president; Norton J. Williams, president Equitable Reserve, Neenah, Wis., new vice-president; Mrs. Grace W. McCurdy, head of Royal Neighbors, Rock Island, Ill., and John A. Willo, general counsel, National Slovak Society, Pittsburgh.